



TAX AUDITOR'S OPINION
REGARDING INDIVIDUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

TAX AUDITOR'S REPORT

To the Shareholders of
Corporacion Financiera Colombiana S.A.:

Report on the Financial Statements Audit

Opinion

I have audited the individual financial statements of Corporacion Financiera Colombiana S.A. (the Company), which comprise the individual statement of financial position as of December 31, 2021 and the individual income statement, of other comprehensive income, changes in equity and cash flows for the semester that ended on that date and its respective notes, which include a summary of the significant accounting policies and other explanatory information.

In my opinion, the individual financial statements mentioned, prepared according to the information faithfully taken from the books and enclosed to this report, reasonably present, in all material aspects, the individual financial position of the Company as of December 31, 2021, the individual results of its operations and its individual cash flows for the semester that ended on that date, according to the Accounting and Financial Reporting Standards accepted in Colombia, applied in a uniform way except for the one-time application as of December 31, 2021 of the voluntary exemption allowed by Decree 1311/2021 "Accounting alternative to mitigate the effects of the change in the income tax rate for the taxable period 2021".

Basis for the Opinion

I performed by audit pursuant to the International Standards on Auditing accepted in Colombia (ISA). My responsibilities, in accordance with these standards, are described in the section "Tax Auditor's Responsibilities regarding the audit of the individual financial statements" of my report. I am independent from the Corporation, in accordance with the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia, together with the ethical requirements relevant for my audit of the individual financial statements set forth in Colombia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code abovementioned.

I consider that the audit evidence that I have obtained is sufficient and appropriate to base my opinion.

Key Audit Matters

I have determined that there are no key audit matters that must be communicated in this report.

Other Matters

The separate financial statements as of and for the year ending on December 31, 2020 were exclusively prepared for comparison purposes, were audited by me and issued an unqualified opinion thereon in my report dated February 22, 2021.

Responsibility of the Corporation's Management and Corporate Governance Officers regarding the Individual Financial Statements

Management is responsible for the reasonable preparation and presentation of these individual financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: the design, implementation and maintenance of the internal control management deems necessary to allow the preparation of individual financial statements free of any material misstatement, whether by fraud or error; the selection and application of appropriate accounting policies, as well as the establishment of reasonable accounting estimates under the circumstances. In the preparation of the individual financial statements, management is responsible for the assessment of the Corporation's ability to continue as a going concern, to disclose, as applicable, matters related to the continuity thereof and to use the going concern accounting basis unless management intends to liquidate the Corporation or cease its operations, or there is no other more realistic option but to proceed in any of these ways.

Corporate governance officers are responsible for the supervision of the Corporation's financial information reporting process.

Tax Auditor Responsibility regarding the Audit of the Individual Financial Statements

My objectives are to obtain reasonable assurance as to whether the individual financial statements, taken as a whole, are free of any material misstatement whether by fraud or error, and issue an audit report including my opinion. Reasonable assurance means a high degree of assurance, but it is not a guarantee that an audit performed according to IAS shall always detect a material misstatement, if any. Errors may arise due to fraud or error and are considered material if, individually or in the aggregate, it could be reasonably expected that they influence the economic decisions of the users, taken based on these individual financial statements.

As part of the audit performed according to IAS, I exercise my professional judgement and maintain professional skepticism during the audit. Also:

- I identify and assess the material misstatement risks in the individual financial statements, whether by fraud or error, I design and carry out audit proceedings as an answer to these risks and obtain audit evidence sufficient and appropriate to base my opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, falsification, willful omissions, misleading representations or the annulment or avoidance of internal control.
- I obtain understanding of the internal control for the audit in order to design audit proceedings appropriate for the circumstances.
- I assess what is appropriate of the accounting policies used and the reasonableness of the accounting estimates and related disclosures, made by management.
- I conclude about what is appropriate of the use of a going concern hypothesis by management and, based on the audit evidence obtained, about whether or not there is

material uncertainty related to events or conditions that may indicate significant doubts on the Corporation's ability to continue as a going concern. If I conclude that there is material uncertainty, I am required to draw the attention in my report to the disclosure describing this situation in the individual financial statements or, if this disclosure is inappropriate, I am required to change my opinion. My conclusions are based on the audit evidence obtained until the date of my report. Nonetheless, future events or conditions may cause the Corporation to cease to operate as a going concern.

- I assess the general presentation, structure and content of the individual financial statements, including disclosures, and whether the individual financial statements present the subsequent transactions and events to achieve a reasonable presentation.
- I obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. I am responsible for the direction, supervision and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate to the Corporation corporate governance officers, among other matters, the planned scope and opportunity for the audit, as well as the significant audit findings, including any deficiency in the internal control I identify during my audit.

I also provide the corporate governance officers with the confirmation that I have fulfilled the relevant independence ethical requirements and that I have communicated to them all relationships and other matters that I reasonably may consider influence my independence and, when applicable, the related safeguards.

Report on other legal and regulatory requirements

1. Based on the results of my tests, below is my opinion for 2021:
 - a) The accountancy of the Company has been taken pursuant to the legal regulations and the accounting techniques.
 - b) The operations registered in the books comply with the bylaws and the decisions of the Shareholders' Assembly.
 - c) The correspondence, the accounts vouchers and the minutes and stock registry books are duly managed and kept.
 - d) There is compliance with the rules and instructions of the Superintendence of Finance of Colombia regarding the appropriate management and use of the goods received as payment, and with the implementation and impact of the statement of financial position and the income statement in the applicable risk management.
 - e) The enclosed financial statements and the management report prepared by the managers, which includes a certificate by the management on the free circulation of the invoices issued by the sellers or vendors, are consistent.
 - f) The information contained in the self-liquidating statement of contributions to the comprehensive social security system, especially regarding the affiliates and their base

liquidation income has been taken from the accounting records and supports. The Company is not in default for the contributions to the comprehensive social security system.

To comply with the requirements of articles 1.2.1.2 and 1.2.1.5 of Sole Regulatory Decree 2420/2015, in the performance of my responsibilities as Statutory Auditor contained in number 1 and 3 of Article 209 of the Code of Commerce, regarding the assessment on whether the actions by the managers of the Company comply with the bylaws and the orders or instructions of the Shareholders' Assembly, and whether the internal control, conservation and custody measures for the goods of the Company or of third parties in the Company's power are in place and are appropriate, I issued a separate report dated February 23, 2022.

2. I monitored the responses to the letters of recommendation addressed to the management of the Company, and there are no pending material matters which may affect my opinion.

Digitally signed by
ANDRÉS RICARDO RUIZ LOPEZ
Date: 2022.02.23
11:11:23 – 05'00'

Andrés Ricardo Ruiz López
Statutory Auditor of Corporacion Financiera de Colombia S.A.
Professional License 189131 -T
Member of KPMG S.A.S.
February 23, 2022

**INDEPENDENT REPORT BY THE STATUTORY AUDITOR ON COMPLIANCE WITH NUMBER 1) AND 3)
OF ARTICLE 209 OF THE CODE OF COMMERCE**

Dear Shareholders
Corporacion Financiera de Colombia S.A.

Description of the Main Matter

As part of my duties as Statutory Auditor, and in compliance with articles 1.2.1.2 and 1.2.1.5 of Single Regulatory Decree 2420/2015, as amended by articles 4 and 5 of Decree 2496/2015, respectively, I am required to report on the compliance with number 1) and 3) of article 209 of the Code of Commerce, detailed as follows, by Corporación Financiera Colombiana S.A., hereinafter “the Company” as of December 31, 2021, in the manner of a reasonable independent assurance conclusion, on the fact that the managers’ acts have complied with the statutory provisions and those of the Shareholders Assembly and that there are adequate internal control measures, in all material aspects, according to the criteria indicated in the paragraph referred to as Criteria of this report:

- 1) Whether the actions of the managers of the Company comply with the bylaws and the orders or instructions of the Shareholders Assembly; and
- 3) Whether the internal control, conservation and custody measures for the goods of the Company or of third parties in the Company’s power are in place and are appropriate.

Responsibility of Management

Company Management is responsible for compliance with the bylaws and the decisions of the Shareholders Assembly and for designing, implementing and maintaining appropriate internal control measures, which include the risk management systems implemented (Market Risk, Liquidity Risk, Money Laundering and Terrorism Financing Risk, Operational Risk Management System and Financial Consumer Service System) and the conservation and care measures for the goods of the Company or for those of third parties in the Company’s power as required in Part 1, Title 1, Chapter IV of the Basic Legal Circular of the Finance Superintendence of Colombia.

Responsibility of the Statutory Auditor

My responsibility consists in assessing whether the acts of the Company managers are adjusted to the bylaws and the orders or instructions of the Shareholders Assembly and, if there are internal control, conservation and care measures for the goods of the Company or third parties in possession of the Company and if such measures are adequate, as well as reporting on such regard in the manner of a reasonable independent assurance conclusion based on the evidence obtained. I performed my procedures pursuant to the International Standards on Assurance Engagements 3000 – ISAE 3000 (Reviewed), accepted in Colombia, issued by the International Auditing and Assurance Standard Board – IAASB and translated to Spanish on 2018. Such standard requires me to plan and perform the procedures considered as necessary to obtain reasonable assurance on whether the actions of the managers comply with the bylaws and the decisions of the Shareholders Assembly, and whether the internal control measures, which include the risk management systems implemented (Market

Risk, Liquidity Risk, Money Laundering and Terrorism Financing Risk, Operational Risk Management System and Financial Consumer Service System) and the conservation and care measures for the goods of the Company or those of third parties in the Company's power are in place and are appropriate, as required in Part 1, Title 1, Chapter IV of the Basic Legal Circular of the Finance Superintendence of Colombia in all material matters.

The accounting firm to which I belong and appointed me as the Company tax auditor applies the International Quality Control Standard No. 1 and consequently maintains a complete quality control system that includes documented policies and proceedings on the compliance with the ethical requirements, the applicable legal and regulatory professional standards.

I have complied with the independence and ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants– IESBA, based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The selected procedures depend on my professional judgement, including the assessment of the risk that the managers' acts are not adjusted to the bylaws and the decisions of the Shareholders Assembly and that the internal control measures, which include the risk management systems implemented ((Market Risk, Liquidity Risk, Money Laundering and Terrorism Financing Risk, Operational Risk Management System and Financial Consumer Service System) and the conservation and care measures for the goods of the Company or for those of third parties in the Company's power as required in Part 1, Title 1, Chapter IV of the Basic Legal Circular of the Finance Superintendence of Colombia.

This reasonable assurance work includes the acquisition of evidence as of December 31, 2021. The procedures include:

- Procurement of a written statement by Management on whether the actions of the managers comply with the bylaws and the decisions of the Shareholders Assembly, and whether the internal control measures, which include the risk management systems implemented (Market Risk, Liquidity Risk, Money Laundering and Terrorism Financing Risk, Operational Risk Management System and Financial Consumer Service System) and the conservation and care measures for the goods of the Company or those of third parties in the Company's power are in place and are appropriate, as required in Part 1, Title 1, Chapter IV of the Basic Legal Circular of the Finance Superintendence of Colombia.
- Reading and verification of compliance with the bylaws of the Company.
- Procurement of a certificate issued by Management on the meetings of the Shareholders Assembly, documented in the minutes.
- Reading of the minutes of the Shareholders Assemblies and the bylaws, and verification of whether the actions of the managers adhere thereto.
- Inquiries with the Management on the changes or projects to amend the bylaws of the Company during the relevant period, and validation of their implementation.
- Evaluation whether the internal control measures, which include the risk management systems implemented (Market Risk, Liquidity Risk, Money Laundering and Terrorism Financing Risk,

Operational Risk Management System and Financial Consumer Service System) and the conservation and care measures for the goods of the Company or those of third parties in the Company's power are in place and are appropriate, as required in Part 1, Title 1, Chapter IV of the Basic Legal Circular of the Finance Superintendence of Colombia, which include:

- Tests on the design, implementation and operational efficacy of the relevant controls over the internal control components for the financial reporting and the elements established by the Company, such as: control environment, risk appraisal process by the company, information systems, control activities, and monitoring of said controls.
- Evaluation of the design, implementation and operational efficacy of the relevant controls, both manual and automatic, of the key processes of the business related to the significant accounts of the financial statements.
- Verification of the appropriate compliance with the rules and instructions on the Risk Management and Consumer Service Systems applicable to the Company: SARM, SARL, SARLAFT, SARO and SAC.
- Issuance of letters to management with my recommendations on the deficiencies in the internal control deemed not significant that were identified during the Tax Audit work.
- Monitoring the matters included in the recommendation letters I issued with regard to the deficiencies in the internal control which are deemed as not significant.

Inherent limitations

Due to the limitations inherent to any internal control structure, it is possible that there are effective controls as of the date of my examination that change said condition in future periods since my report is based on selective tests, and because, the evaluation of the internal control has the risk of becoming inappropriate due to changes in the conditions or because the degree of compliance with the policies and procedures may be impaired. On the other hand, the limitations inherent to the internal control include human error, flaws due to the collusion of two or more people, or an inappropriate excess of control by management.

Criteria

The criteria considered for the assessment of the matters mentioned in the Description of the Main Matter paragraph include: a) the bylaws and minutes of the Shareholders Assembly and, b) the components of internal control implemented by the Company, such as the environment control, risk assessment procedures, its information and communication systems and monitoring of controls by management and the corporate governance officers, which are based on the provisions of Part 1, Title 1, Chapter IV of the Basic Legal Circular of the Finance Superintendence of Colombia.

Conclusion

My conclusion is based on the evidence obtained on the matters described and is subject to the inherent limitations presented in this report. I consider that the evidence obtained provides a base of reasonable assurance to justify the conclusion expressed below:

In my opinion the actions of the managers comply with the bylaws and the decisions of the Shareholders Assembly, and the internal control measures, which include the risk management systems implemented (Market Risk, Liquidity Risk, Money Laundering and Terrorism Financing Risk, Operational Risk Management System and Financial Consumer Service System) and the conservation and care measures for the goods of the Company or for those of third parties in the Company's power, in all material aspects, as required in Part 1, Title 1, Chapter IV of the Basic Legal Circular of the Finance Superintendence of Colombia, are appropriate.

Digitally signed by
ANDRÉS RICARDO RUIZ LOPEZ
Date: 2022.02.23
11:12:12 – 05'00'

Andrés Ricardo Ruiz López
Statutory Auditor of Corporacion Financiera de Colombia S.A.
Professional License 189131 -T
Member of KPMG S.A.S.
February 23, 2022



INDIVIDUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020

THE UNDERSIGNED LEGAL REPRESENTATIVE AND ACCOUNTANT OF CORPORACION FINANCIERA
COLOMBIANA S.A.
CORFICOLOMBIANA S.A.

CERTIFY THAT:

1. As of December 31, 2021, we have previously verified the statements contained in the financial statements and that they have been faithfully taken from the accounting books. (Law 222/1995 Art. 37, Code of Commerce).
2. In compliance with the provisions of Article 46 of Law 964/2005, that the financial statements and other relevant reports for the public of Corficolombiana S.A., as of December 31, 2021, do not contain defects, inaccuracies or errors that prevent us from knowing the true financial situation or the operations of the Corporation.

This document is signed on February 22, 2022.

[SIGNED]

MARIA LORENA GUTIERREZ BOTERO

Legal Representative

[SIGNED]

AGUSTIN FORERO LOPEZ

Accountant

Professional License No. 40364-T

CORPORACIÓN FINANCIERA COLOMBIANA S.A.
Individual Statements of Financial Position
(Expressed in millions of Colombian Pesos)

	Notes	December 31, 2021	December 31, 2020
Assets			
Cash and cash equivalents	6	\$ 1,602,384	1,225,690
Active positions in money market operations	7	949,386	401,173
Investments, net:			
Measured at fair value with changes in results	8(a)	2,044,578	1,208,138
Measured at fair value with changes in other comprehensive income (OCI)	8(b)	3,671,136	3,146,218
Measured at amortized cost	9	75,228	72,629
Other investments	10	28,310	30,593
Derivative financial instruments	11	93,177	80,113
Investments in subsidiaries	12	12,804,999	11,118,202
Investments in related companies	13	28,543	19,341
Accounts Receivable, net	14	282,058	239,972
Tangible Assets			
Property and equipment for own use, net	15	41,477	25,126
Property and equipment by right of use, net	16	196	1,222
Investment properties, net	17	33,964	36,074
Intangible assets, net		23,597	7,188
Current tax assets	18	16,755	19,951
Other assets, net	19	17,021	36,814
Total Assets		\$ 21,712,809	17,668,444
Liabilities			
Deposits and current liabilities	20	\$ 5,357,714	4,952,659
Derivative financial instruments	11	112,521	67,467
Hedge derivatives		-	1,418
Passive positions in money market operations	21	4,860,553	2,644,568
Outstanding investment securities	22	1,012,103	502,443
Financial obligations	16	223	1,576
Accounts Payable	23	47,186	40,582
Employee benefits	24	12,395	11,541
Other provisions	25	9,769	37,325
Deferred tax liability	18	2,269	2,258
Other liabilities		6	7
Total liabilities		\$ 11,414,739	8,260,426
Shareholder's Equity			
Subscribed and paid-in capital	27	\$ 3,415	3,241
Share placement premium	27	5,370,329	4,822,898
Reserves	27	3,481,242	2,517,226
Other comprehensive result		198,142	466,538
Results of previous years		(470,734)	(56,856)
Profit of the period		1,715,676	1,654,971
Total Equity		\$10,298,070	9,408,018
Total Liability and Equity		\$21,712,809	17,668,444

See notes that make integral part of the Individual Financial Statements

[SIGNED]
María Lorena Gutiérrez Botero
President (*)

[SIGNED]
Agustín Forero López
Accounting Manager (*)
PL No. 40364-T

[SIGNED]
Andrés Ricardo Ruiz López
Tax Auditor
PL No. 189131-T
Member KPMG S.A.S.
(See my report of February 23, 2022)

(*) The undersigned Legal Representative and Accountant certify we have previously verified the statements contained in these Individual Financial Statements and the same have been faithfully taken from the accounting books of the Corporation.

CORPORACIÓN FINANCIERA COLOMBIANA S.A.
Individual Income Statement
(Expressed in millions of Colombian Pesos, except profits per share)

Years ended on December 31,	Notes	2021	2020
At amortized cost		\$ 100,724	\$ 91,947
At fair value		(38,167)	68,494
Profit in valuation of investments in debt securities, net		62,557	160,441
Equity method, net	29	1,940,999	1,769,952
At fair value		173	7,309
Dividends and holding interests	30	140,290	74,650
Profit from the investment of holding interests, net		2,081,462	1,851,911
Profit from the sale of investments, net		13,820	117,012
(Loss) profit in derivatives and spot transactions, net		19,927	(61,952)
Revenues for money market transactions, net		14,087	455
Interests for clients deposits	31(a)	(232,755)	(245,335)
Interests for money market transactions	31(b)	(49,559)	(54,741)
Interests for outstanding investment securities	31(c)	(37,852)	(31,834)
Other interests		22,319	42,747
Interest expenses, net		(297,847)	(289,163)
Profit in translation difference, net		43,202	28,684
Commissions and fees, net	32	(13,962)	(13,226)
Employee Benefits		(62,438)	(53,140)
Profit from the sale of property and equipment		14	35
Depreciation		(3,646)	(3,840)
Amortization		(438)	(776)
(Expense) Income for leases, net		(357)	113
Other income	33	4,150	4,198
Taxes and fees		(16,548)	(16,209)
Contributions, affiliations and transfers		(4,790)	(4,386)
Insurance		(13,509)	(13,076)
Maintenance and Repairs		(5,181)	(5,156)
Sundry expenses	34	(45,389)	(45,183)
Recovery (Impairment) of accounts receivable and other assets, net		(59,406)	176
Other expenses		(144,823)	(83,834)
Income before income taxes		\$ 1,715,708	\$ 1,656,918
Income tax	18	(32)	(1,947)
Profit of the period		\$ 1,715,676	\$ 1,654,971
Net profit per basic share attributable to shareholders (in Colombian Pesos)		\$ 5,123.51	\$ 5,344.65

See notes that make integral part of the Individual Financial Statements

[SIGNED]
 María Lorena Gutiérrez Botero
 President (*)

[SIGNED]
 Agustín Forero López
 Accounting Manager (*)
 PL No. 40364-T

[SIGNED]
 Andrés Ricardo Ruiz López
 Tax Auditor
 PL No. 189131-T
 Member KPMG S.A.S.
 (See my report of February 23, 2022)

(*) The undersigned Legal Representative and Accountant certify we have previously verified the statements contained in these Individual Financial Statements and the same have been faithfully taken from the accounting books of the Corporation.

CORPORACIÓN FINANCIERA COLOMBIANA S.A.
Individual Statement of Other Comprehensive Income
(Expressed in millions of Colombian Pesos)

Years ended on December 31,	2021	2020
Net profit of the period	\$ 1,715,676	\$ 1,654,971
Items that can be subsequently reclassified in results		
Difference in conversion of operations in foreign currencies	277	(14,503)
Unrealized profit (loss) of investments available for sale of debt securities	(201,273)	35,858
Unrealized net profit (loss) of investments in equity securities	(69,818)	310,720
Unrealized net (loss) in Investments in hedge derivatives	2,339	(1,430)
Total other comprehensive income during the period	(268,475)	330,645
Items that will not be reclassified in results		
Actuarial profits (losses) in plans of employee benefits	79	(148)
	79	(148)
Total other comprehensive income during the period	(268,396)	330,497
Total comprehensive income of the period	\$ 1,447,280	\$ 1,985,468

See notes that make integral part of the Individual Financial Statements

[SIGNED]
 María Lorena Gutiérrez Botero
 President (*)

[SIGNED]
 Agustín Forero López
 Accounting Manager (*)
 PL No. 40364-T

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 PL No. 189131-T
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 (See my report of February 23, 2022)

(*) The undersigned Legal Representative and Accountant certify we have previously verified the statements contained in these Individual Financial Statements and the same have been faithfully taken from the accounting books of the Corporation.

CORPORACIÓN FINANCIERA COLOMBIANA S.A.
Individual Statement of Changes in Equity
(Expressed in millions of Colombian Pesos)

Year ending on December 31, 2019 and 2020	Subscribed and Paid-in Capital	Share Placement Premium	Legal Reserve	Statutory and Occasional Reserves	Total Reserves	Unrealized Earnings (Losses)		Results of Previous Years	Profit for the Year	Shareholders' Equity, Net
						Other Comprehensive Income	First Adoption of the IFRS			
Balance as of December 31, 2019	\$ 2.966	\$ 4.219.093	\$ 41.810	\$1.782.570	\$1.824.380	\$ 136.041	(\$ 447.769)	343.408	\$1.566.307	\$7.644.426
Profit of the year available to the shareholder carried to income of previous years	-	-	-	-	-	-	-	1.566.307	(1.566.307)	-
Transfer to profit from previous years available to shareholders to wipe out losses by first adoption of IFRS	-	-	-	-	-	-	447.769	(447.769)	-	-
Constitution of reserve for future distributions (MPU profit)	-	-	-	692.846	692.846	-	-	(692.846)	-	-
Dividends decreed in shares that were paid in cash at the request of the shareholders	-	-	-	-	-	-	-	(178.977)	-	(178.977)
Stock dividends	275	603.805	-	-	-	-	-	(604.080)	-	-
Sale Gas Natural S.A. E.S.P. - Vanti S.A.E.S.P (See note 8b)	-	-	-	-	-	-	-	(29.224)	-	(29.224)
Special withholding for dividends received as untaxed dividends in accordance with Art. 242-1 TC	-	-	-	-	-	-	-	(13.675)	-	(13.675)
OCI Adjustments:										
Unrealized profit from investments available for sale in debt securities	-	-	-	-	-	35.858	-	-	-	35.858
Exchange difference in transactions abroad	-	-	-	-	-	(14.503)	-	-	-	(14.503)
Actuarial losses in employee benefits plans	-	-	-	-	-	(148)	-	-	-	(148)
Net unrealized profit from investments in holding interests	-	-	-	-	-	310.720	-	-	-	310.720
Net unrealized (loss) on investments in hedge derivatives	-	-	-	-	-	(1.430)	-	-	-	(1.430)
Net profit for the year	-	-	-	-	-	-	-	-	1.654.971	1.654.971
Balance as of December 31, 2020	\$ 3.241	\$ 4.822.898	\$ 41.810	\$2.475.416	\$2.517.226	\$ 466.538	-	(\$56.856)	\$1.654.971	\$9.408.018

CORPORACIÓN FINANCIERA COLOMBIANA S.A.
Individual Statement of Changes in Equity
(Expressed in millions of Colombian Pesos)

Year ending on December 31, 2020 and 2021	Subscribed and Paid-in Capital	Share Placement Premium	Legal Reserve	Statutory and Occasional Reserves	Total Reserves	Other Comprehensive Income	Results of Previous Years	Profit for the Year	Shareholders' Equity, Net
Balance as of December 31, 2020	\$ 3.241	\$ 4.822.898	\$ 41.810	\$2.475.416	\$2.517.226	\$ 466.538	(\$56.856)	\$1.654.971	\$9.408.018
Transfer of profits from the year available to shareholders to income of previous years	-	-	-	-	-	-	1.654.971	(1.654.971)	-
Constitution of reserve for future distributions (MPU profit)	-	-	-	902,016	902,016	-	(902,016)	-	-
Constitution of future reserves for donations	-	-	-	62,000	62,000	-	(62,000)	-	-
Dividends decreed in shares that were paid in cash at the request of the shareholders	-	-	-	-	-	-	(114,126)	-	(114,126)
Stock dividends	174	547,531	-	-	-	-	(547,605)	-	--
Special withholding for dividends received as untaxed dividends in accordance with Art. 242-1 TC	-	-	-	-	-	-	(25,062)	-	(25,062)
Deferred tax effect according to Decree 1311 of October 20, 2021 of subsidiaries	-	-	-	-	-	-	(418,040)	-	(418,040)
OCI Adjustments:									
Unrealized (loss) from investments available for sale in debt securities	-	-	-	-	-	(201,273)	-	-	(201,273)
Exchange difference in transactions abroad	-	-	-	-	-	277	-	-	277
Actuarial profits in employee benefits plans	-	-	-	-	-	79	-	-	79
Net unrealized (loss) from investments in holding interests	-	-	-	-	-	(69,818)	-	-	(69,818)
Net unrealized profit on investments in hedge derivatives	-	-	-	-	-	2,339	-	-	2,339
Net profit for the year	-	-	-	-	-	-	-	1,715,676	1,715,676
Balance as of December 31, 2021	\$ 3,415	\$5,370,329	\$41,810	\$3,439,432	\$3,481,242	\$198,142	(\$470,734)	\$1,715,676	\$10,298,070

See notes that make integral part of the Individual Financial Statements

[SIGNED]
María Lorena Gutiérrez Botero
President (*)

[SIGNED]
Agustín Forero López
Accounting Manager (*)
PL No. 40364-T

[SIGNED]
Andrés Ricardo Ruiz López
Tax Auditor
PL No. 189131-T
Member KPMG S.A.S.
(See my report of February 23, 2022)

(*) The undersigned Legal Representative and Accountant certify we have previously verified the statements contained in these Individual Financial Statements and the same have been faithfully taken from the accounting books of the Corporation.

CORPORACIÓN FINANCIERA COLOMBIANA S.A.

Individual Cash Flow Statement

(Expressed in millions of Colombian Pesos)

Years ended on December 31,

	Notes	2021	2020
Cash flow of operational activities:			
Net profit of the year		\$ 1,715,676	1,654,971
Reconciliation of net profit with the cash provided by operational activities			
Income tax	18	32	1,947
Depreciation		3,646	3,840
Amortization		438	776
(Recovery) Impairment for receivables, net		15	(609)
Impairment (Recovery) of non-financial assets, net		(3)	670
(Recovery) Impairment of investment properties		171	(237)
(Profit) in sale of investments, net		(13,820)	(117,012)
(Revenues) equity method	29	(1,940,999)	(1,769,952)
(Profit) in sale of property and equipment		(14)	(35)
Adjustment of fair value in investment properties		(1,522)	318
Loss (Profit) in valuation of investments at fair value		37,994	(75,803)
Loss (Profit) in valuation of financial derivative instruments, net		(19,926)	61,952
(Profit) in valuation of investments at amortized cost		(100,724)	(91,947)
Interests, deposits and current liabilities	31(a)	232,755	245,335
Interests outstanding investment securities	31(c)	37,852	31,834
Net variation in operational assets and liabilities			
Decrease (Increase) net of Financial Derivative Instruments		54,256	(84,311)
Decrease (Increase) in active positions of money market		(548,213)	19,821
Decrease (Increase) net of investments at amortized cost		(1,797)	4,579
Decrease in investments at fair value		(1,579,569)	58,645
(Increase) net of investments in subsidiaries and related companies		(185,979)	(535,991)
Decrease other investments in equity securities		59,382	591
(Increase) in accounts receivable		(531,375)	(388,119)
Proceeds of sale of goods received in payment		-	48
Net (Increase) in other assets		(18,068)	(7,570)
Increase Accounts Payable		41,915	43,965
Increase of Deposit and current liabilities		390,480	859,356
Increase in passive operations of money market		2,215,983	238,532
(Decrease) Increase labor obligations		933	(1,530)
(Decrease) Increase Provisions		(27,557)	26,611
Other interests paid for financial leasing		53	184
Dividends received in the period of subsidiaries and related companies		327,383	260,140
Dividends received in the period of other investments in equity securities		140,028	75,100
Taxes paid		(34,960)	(19,956)
Interests paid in outstanding investment securities		(28,192)	(32,835)
Interests paid in money market operations and deposits and current liabilities		(218,180)	(292,717)
Net cash provided by operational activities		8,094	170,591
Cash flow of investment activities:			
Acquisition of property, plant and equipment		(18,977)	(7,637)
Decrease (Increase) of investment properties		3,461	(629)
Proceed of sale of investment properties		20	-
Net cash (used in) provided by investment activities		(15,496)	(8,266)
Cash flow of financing activities:			
Dividends paid		(114,499)	(178,381)
Issuance of outstanding investment securities		500,000	-
Lease liabilities		(1,405)	(1,073)
Net cash (used in) provided for financing activities		384,096	(179,454)
Net (decrease) increase in cash and cash equivalents		376,694	(17,129)
Cash and cash equivalents at the beginning of the period		1,225,690	1,242,819
Cash and cash equivalents at the end of the period		\$ 1,602,384	1,225,690

See notes that make integral part of the Individual Financial Statements

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NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020

CORPORACIÓN FINANCIERA COLOMBIANA S.A.
Notes to the Individual Financial Statements
As of December 31, 2021 and 2020
(In millions of Colombian Pesos, unless otherwise indicated)

(1) Reporting Entity

Corporación Financiera Colombiana S.A. is a private financial institution, authorized to operate by the Finance Superintendence of Colombia by means of the Resolution dated October 18, 1961 and was incorporated as a public limited company on November 27, 1961 by means of Public Deed No. 5710 of Notary Public's Office One of the Circle of Cali. The Corporation's term of duration is until December 31, 2100, which may be extended by decision of the General Shareholders Assembly.

The merger between Corporación Financiera del Valle S.A. (Surviving Entity) and Corporación Financiera Colombiana S.A. (Merging Entity) was formalized by means of public deed No. 12364 of December 30, 2005, executed at Notary Public's Office 18 of Bogotá. In that same document, the surviving entity changed its company name to Corporación Financiera Colombiana S.A. and moved its main offices from the city of Cali to the city of Bogotá.

The merger between Corporación Financiera Colombiana S.A. (surviving entity) and Proyectos de Energía S.A. (merging entity), which was dissolved without being liquidated, was formalized by means of public deed No. 10410 of Notary Public's Office 71 of Bogotá on December 26, 2007.

The Corporation's corporate purpose is to carry out all acts and contracts authorized for this type of credit institutions by the Organic Statute of the Financial System or other special provisions or rules that replace, amend or add to the same. To achieve its corporate purpose, the Corporation can carry out all kinds of acts and contracts such as promoting savings and private investments, developing the capital market, promoting the creation, reorganization, merger, transformation and expansion of any type of company in those sectors to which it can provide its services, as well as granting medium and long-term financing, subscribing and preserving shares or interest in such companies and offering them specialized financial services for their growth and development.

As of June 21, 2016, Grupo Aval Acciones y Valores S.A. acquired the capacity as direct controlling company over the Corporation in the terms of articles 260 and 261 of the Code of Commerce, through a shareholders' agreement entered into by Grupo Aval Acciones y Valores S.A., Banco de Bogotá S.A., Banco de Occidente S.A. and Banco Popular S.A. Prior to this date, the company had been under the control of Banco de Bogotá S.A. (subsidiary of Grupo Aval Acciones y Valores).

The Corporation is part of the financial conglomerate of Grupo Aval Acciones y Valores S.A., as provided in Law 1870/2017.

In compliance with the provisions of article 29 of Law 222/1995, from December 31, 2018 the Corporation is part of Grupo Empresarial Sarmiento Angulo and renders a special report where the intensity of the economic relationships of the Corporation with the controlling person Luis Carlos Sarmiento Angulo and/or other entities part of the corporate group are detailed. The special report is part of the management report.

The Corporation has its main offices in the city of Bogotá at Carrera 13 No. 26-45, 3rd, 6th, 7th and 8th floors, and it operates through its five regional offices and five agencies in different cities. The Corporation does not have any non-bank correspondents.

As of December 31, 2021 it had 376 direct employees, 114 indirect employees, 20 temporary employees and 10 apprentices. As of December 31, 2020, it had 380 direct employees, 93 indirect employees, 15 temporary employees and 10 apprentices.

It has the following subsidiaries:

Investment	% of interest December 31, 2021	% of interest December 31, 2020
Financial Companies		
Fiduciaria Corficolombiana S.A.	94.50	94.50
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa (1)	38.95	38.95
Energy, gas, mining		
Promigas S.A.	34.87	34.87
Fondo de Capital Privado Corredores Capital I	97.30	97.30
CFC Gas Holding S.A.S.	100.00	100.00
CFC Private Equity Holdings S.A.S.	100.00	100.00
CFC Energy Holdings S.A.S.	100.00	100.00
Infrastructure		
Colombiana de Licitaciones y Concesiones S.A.S.	100.00	100.00
Proyectos de Ingenieria y Desarrollos S.A.S.	100.00	100.00
Estudios y Proyectos del Sol S.A.S.	100.00	100.00
Proyectos y Desarrollos Viales del Oriente S.A.S.	100.00	100.00
Proyectos y Desarrollos Viales del Pacifico S.A.S.	100.00	100.00
Proyectos y Desarrollos Viales del Mar S.A.S.	100.00	100.00
Proyectos y Desarrollos Viales del Andino S.A.S.	100.00	100.00
Gestora en Infraestructura y Desarrollo S.A.S.	100.00	100.00

Compañía en Infraestructura y Desarrollo S.A.S. in liquidation	100.00	100.00
Estudios Proyectos e Inversiones de los Andes S.A.	99.99	99.99
Proyectos de Infraestructura S.A.	88.25	88.25
Concesionaria Vial de los Andes S.A. (2)	0.25	0.25

Hotels

Hoteles Estelar de Colombia S.A.	84.96	84.96
Promotora y Comercializadora Turística Santamar S.A.	84.66	84.66

Agribusiness and others

Leasing Corficolombiana S.A. in liquidation (3)	94.50	94.50
Valora S.A.	100.00	100.00
Tejidos Sinteticos de Colombia S.A.	94.99	94.99
Organizacion Pajonales S.A.	99.72	99.72
Plantaciones Unipalma de los Llanos S.A.	54.53	54.53
Mavalle S.A.	46.77	46.77

- (1) On July 13, 2020, the purchase agreement for the shares of Gas Comprimido del Perú S.A. was executed between Gases del Pacífico S.A.C. (who transferred all the shares to Promigas S.A. E.S.P.) and Corficolombiana S.A., agreeing to the transfer of 100% of the interest that the Corporation held in such company.
- (2) On December 21, 2016, by the execution of the shareholders' agreement entered into between Corporación Financiera Colombiana S.A., Banco de Bogotá S.A., Banco de Occidente S.A. and Banco Popular S.A., the Corporation acquired control over Casa de Bolsa S.A. Sociedad Comisionista de Bolsa maintaining its ownership interest of 38.95%. This control change is caused by the intention to strengthen the operative synergies between Casa de Valores and Corficolombiana, besides the business ones between the broker and the financial entities subsidiaries of the Corporation.
- (3) On December 20, 2019, by resolution 1749, clarified by resolution 1767 dated December 26, 2019, the Finance Superintendence of Colombia authorized the early dissolution and voluntary liquidation of Leasing Corficolombiana S.A.

(2) Technical regulatory framework, basis of preparation of financial statements and summary of significant accounting policies.

2.1 Technical Regulatory Framework

As of December 31, 2021, the Corporation's individual financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (IFRSC), established in Law 1314 of 2009, regulated by sole regulatory decree 2420/2015 amended by Decrees 2496/2015, 2131/2016, 2170/2017, 2483/2018, 2270/2019, 1432/2020 and 938/2021. The IFRSC applicable in 2021 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); the basic standards correspond to those translated into Spanish and issued as of the second semester of 2020.

The Corporation applies the following exceptions contemplated in Title 4 Special Regimes of Chapter 1 of Decree 2420 of 2015 to these individual financial statements:

- IAS 39 and IFRS 9 regarding the treatment, classification and valuation of investments; the provisions of Chapter I-1 of the Basic Accounting and Financial Circular of the Finance Superintendence of Colombia (SFC) continue to apply.

In addition, the Corporation applies the following guidelines in accordance with laws and other regulations in force in Colombia:

- Exceptions established in External Circular 036 of the Finance Superintendence of Colombia dated December 12, 2014, for supervised and controlled companies.
- Book 2 of Decree 2420/2015 according to the amendments included in article 3 Decree 2131/2016, applicable to entities of Group 1: the interests in subordinates by controlling entities must be recognized in the individual financial statements in accordance with the interest method (article 35 of Law 222), as described in IAS 28.

Changes are incorporated under Decree 1311/2021 issued by the Ministry of Commerce, Industry and Tourism that establishes an accounting alternative to mitigate the effects of the increase in the income tax rate, only for the taxable period 2021, recognizing them against accumulated results in equity, in accordance with the provisions of the Social Investment Law 2155.

These financial statements were authorized for their issuance by the Board of Directors of the Corporation on February 23, 2022.

2.2 Basis of measurement

The Corporation's individual financial statements have been prepared on a historical cost basis with the exception of the following significant items included in the statement of financial position:

Item	Basis of Measurement
	Capital variation
Equity instruments through OCI (Note 8b)	Fair value, value published by Precia S.A. (price provider authorized by the Finance Superintendence of Colombia)
Debt instruments measured at fair value through profit or loss (Note 8a)	Fair value
Debt instruments measured at fair value through OCI (Note 8b)	Fair value
Derivative Financial Instruments (Note 11)	Fair value
Investment properties	Fair value

2.3 Basis of presentation

In accordance with Colombian law, the Corporation must prepare individual and consolidated financial statements. Individual financial statements are the basis for the distribution of dividends and other appropriations by shareholders.

The General Assembly of Shareholders approved the amendment of the Corporation's bylaws in its chapter VI, article 30 and Chapter XII article 59, to establish the cut-off of annual accounting period from January 1, 2017 in accordance with Minutes No. 087 dated September 26, 2016.

In the preparation of the financial statements as of December 31, 2021, the Corporation has not presented changes to the accounting policies.

2.4 Functional and presentation currency

The Corporation's main activity is the investment in securities issued by the Republic of Colombia or by national entities, whether they are registered or not in the National Register of Securities and Issuers – RNVE in Colombian pesos; and investments in securities issued by foreign banks, securities issued by foreign companies in the real sector whose shares are listed on one or more internationally recognized stock exchanges, bonds issued by multilateral credit institutions, foreign governments or public entities. The Corporation's performance is measured and reported to its shareholders and to the general public in Colombian pesos. Due to the above, the Corporation's management considers that the Colombian peso is the currency that more accurately represents the economic effects of the Corporation's underlying transactions, events and conditions and for this reason the financial statements are presented in Colombian pesos as its functional currency.

Summary of the main significant accounting policies

The following accounting policies have been applied in the preparation of the individual financial statements. These financial statements were prepared to comply with the legal provisions that the Corporation must comply with as an independent legal entity; some accounting principles can differ from those principles applied on the consolidated financial statements and also, they do not include the adjustments or eliminations necessary for the presentation of the consolidated financial position and the consolidated comprehensive income of the Corporation and its subsidiaries. Therefore, the individual financial statements shall be read jointly with the consolidated financial statements of Corficolombiana and subsidiaries;

2.5 Transactions in foreign currency

Transactions in foreign currency are re-expressed into Colombian pesos using the market representative exchange rate (TRM) existing on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into the functional currency using the exchange rate prevailing on the cut-off date of the statement of financial position. Gains or losses resulting from the conversion process are included in the statement of income. As of December 31, 2021 and 2020 rates were \$3,981.16 and \$3,432.50 (figures in Colombian pesos).

2.6 Cash and cash equivalents

Cash and cash equivalents include available cash, bank deposits and other short-term investments in active markets with original maturities of three months or less from the date of acquisition. The Corporation maintains within cash equivalents, cash and deposits in Colombia's Central Bank for the purposes of complying with legal requirements. The Corporation presents the statement of cash flows using the indirect method.

2.7 Money market operations

It groups interbank funds, repo and simultaneous operations and the temporary transfer of securities:

- **Interbank funds**

Interbank funds are those that are placed or received by a financial institution from another financial institution directly, without an investment transfer agreement or loan portfolio. Overnight transactions made with foreign banks using Corporation funds, as well as 'time deposits' are recorded as interbank funds.

Interest income generated from the transaction is recorded in the statement of income.

- **Repo operation**

A repo operation occurs when an entity acquires or transfers securities, in exchange for the delivery of a sum of money, assuming in said act and moment the commitment to transfer or acquire the ownership of securities of the same kind and characteristics once again from its "counterparty", the same day or at a later date and at a specified price.

The initial amount can be calculated with a discount on the market price of the securities subject of the operation; it may be established that during the validity of the operation, the values initially delivered by others are replaced and restrictions placed on the mobility of the securities subject of the transaction.

Yields recorded in this item are calculated exponentially during the term of the operation and are recognized in the statement of income.

The transferred securities subject to the repo operation are recorded in contingent debtor or creditor accounts, depending on whether it is an open or closed repo operation, respectively.

- **Simultaneous Operations**

Simultaneous operations take place when an entity acquires or transfers securities, in exchange for the delivery of a sum of money, assuming in said act and moment the commitment to transfer or acquire the ownership of securities of the same kind and characteristics once again the same day or at a later date and at a specified price.

The initial amount cannot be calculated with a discount on the market price of the securities subject of the operation, and the values initially delivered by others cannot be replaced during the validity of the operation. No restrictions are placed on the mobility of the securities subject of the transaction.

Yields accrued by the acquirer and paid by the seller as cost of the operation during the term thereof are recognized as the greater value of the simultaneous operation.

The difference between present value (cash delivery) and future value (final transfer price) is considered to be revenue from financial yields that is calculated exponentially during the term of the operation and is recognized in the statement of income.

The transferred securities subject of the simultaneous transaction are recorded in contingent debtor or creditor accounts for active or passive positions, respectively.

- **Temporary Transfer of Securities**

These operations take place when an entity transfers the ownership of some securities, with the agreement to retransfer them on the same date or at a later date. In turn, the counterparty transfers the ownership of other securities or a sum of money of equal or greater value to that of the securities subject of the transaction.

2.8 Investments

Includes investments acquired by the Corporation for the purpose of maintaining a secondary liquidity reserve, acquiring direct or indirect control over any company in the financial or services sector, complying with legal or regulatory provisions, or with the exclusive purpose of eliminating or reducing the market risk to which the assets, liabilities or other items in its financial statements are exposed.

The purpose of valuing investments is to calculate, record and disclose to the market the value or fair price of exchange at which a certain security may be traded on a particular date, according to its particular characteristics and within the conditions prevailing in the market on that date.

The following is the way in which the different types of investment are classified, valued and accounted for:

Classification	Characteristics	Valuation	Accounting
Investments at fair value through profit or loss	Securities and in general, any type of investment that has been acquired for the main purpose of obtaining profits from short-term price fluctuations.	<p>According to the price provided by the price vendor designated as official for the corresponding segment, according to the instructions established in the Basic Accounting Circular.</p> <p>Marketable securities represented by debt securities should be valued at Fair price based on the price determined by the price vendor.</p> <p>For exceptional cases where it does not exist, for the valuation date fair value should be determined subject to exponential valuation based on the Internal Rate of Return.</p> <p>Fair value of the respective investment must be estimated or approximated by calculating the sum of the present value of future flows for returns and capital, with the procedure of estimating the future flows of funds by way of income and capital.</p> <p>The Corporation will determine the yields according to:</p> <ol style="list-style-type: none"> 1. Fixed-rate debt securities. 2. Variable-rate debt securities. 3. Securities with prepayment option. 	<p>The marketable investments must be recorded initially at their acquisition cost and from this day, they shall be valued at fair value.</p> <p>The accounting for changes between acquisition cost and fair value of investments will be made from the date of purchase, individually, for each security.</p> <p>The accounting of these investments must be made in the respective "Investments at Fair Value through Profit and Loss" accounts of the Unified Financial Information Catalogue for supervisory purposes.</p> <p>In the case of debt securities, outstanding taxable yield is recorded as a higher value of the investment. Consequently, the collection of such yield must be accounted for as a lower value of the investment.</p>
Investments at fair value through other comprehensive income (OCI)	Available-for-sale investments are securities and, in general, any type of investment, which is not classified as marketable investments or as investments held to maturity.	<p>According to the price provided by the price vendor designated as official for the corresponding segment, according to the instructions established in the Basic Accounting Circular.</p> <p>Available-for-sale securities represented by debt securities should</p>	They must be initially recorded at their acquisition cost and from that same day must be valued at fair value.

	<p>Securities classified as available-for-sale investments may be delivered as collateral in a central counterparty clearing house in order to support compliance with the operations accepted by the counterparty for clearing and settlement.</p> <p>Likewise, with these investments, money market (repurchase or repo transactions, simultaneous or temporary transfer of securities) operations can be made and delivered as collateral.</p>	<p>be valued at fair price based on the price determined by the price vendor.</p> <p>For exceptional cases where it does not exist, for the valuation date fair value should be determined subject to exponential valuation based on the Internal Rate of Return.</p> <p>Fair value of the respective investment must be estimated or approximated by calculating the sum of the present value of future flows for returns and capital, with the procedure of estimating the future flows of funds by way of income and capital.</p>	<p>The accounting for changes between acquisition cost and fair value of investments will be made from the date of purchase, individually, for each security.</p> <p>The accounting of these investments must be made in the respective "Investments at Fair Value through Other Comprehensive Income – OCI" accounts of the Unified Financial Information Catalogue for supervisory purposes.</p>
Investments at amortized cost	<p>Securities and, in general, any type of investment in respect of which the investor has the purpose and legal, contractual, financial and operational capacity to hold the same until the expiration of their term of maturity or redemption. The purpose of holding investments is the positive and unequivocal intention not to transfer the security.</p> <p>With these investments, money market operations (repurchase or repo, simultaneous operations or temporary transfer of securities) cannot be carried out, except in the case of forced or compulsory investments subscribed in the primary market and provided that the counterparty of the transaction is the Central Bank, the General Directorate of Public Credit and the National Treasury or the entities under the supervision of the Finance Superintendence of Colombia.</p>	<p>Exponentially based on the Internal Rate of Return calculated at the time of purchase, based on a 365-day year.</p> <p>When the conditions of the issuance establish the use of the value of the indicator of the date of commencement of the period to be paid, the Internal Rate of Return must be recalculated each time the value of the face indicator changes and when coupons expire.</p> <p>In these cases, the present value on the recalculation date, excluding the outstanding taxable income, should be taken as the purchase value.</p> <p>When the conditions of the issuance establish the use of the value of the indicator of the date of expiration of the period to be paid, the Internal Rate of Return must be recalculated each time the value of the face indicator changes.</p> <p>In the case of securities incorporating prepayment options, the Internal Rate of Return must be recalculated whenever future flows and payment</p>	<p>The accounting of these investments must be made in the respective "Investments at Amortized Cost" accounts of the Unified Financial Information Catalogue for supervisory purposes.</p> <p>The updating of the present value of this type of investments should be recorded as a higher value of the investment, affecting the results of the period.</p> <p>Outstanding taxable yield is recorded as a higher value of the investment. Consequently, the collection of such yield must be accounted for as a lower value of the investment.</p>

		<p>dates change for valuation purposes. In these cases, the present value on the recalculation date of the future flows should be taken as the purchase value.</p>	
Equity securities	<p>Securities, and in general any type of investment, which are not classified as marketable investments or as investments held to maturity.</p>	<p>Investments in subsidiaries, affiliates and interests in joint ventures: Investments in subsidiaries must be valued such that the books of the parent or controlling company are recognized by the equity method in the individual financial statements.</p> <p>In cases where the rules of the Commercial Code or other legal provisions do not provide for the accounting treatment of investments in subsidiaries, affiliates and associates, they shall comply with the provisions of IAS 27, IAS 28 and IFRS 11, as appropriate.</p> <p>Equity securities registered in the National Register of Securities and Issuers (RNVE): Equity securities registered in the RNVE and listed on a stock exchange in Colombia, other than investments in subsidiaries, affiliates, associates and interests in joint ventures, shall be valued in accordance with the price determined by valuation price vendors authorized by the SFC at fair value.</p> <p>Participations in collective investment funds, private equity funds, hedge funds, mutual funds, among others, and securities issued in the development of securitization processes should be valued taking into account the unit value calculated by the management company on the day immediately prior to the date of valuation.</p> <p>Equity securities that are listed only on stock exchanges abroad: These investments, other than investments in subsidiaries, affiliates, associates and interests in joint ventures should be</p>	<p>Investments in subsidiaries, affiliates and interests in joint ventures are initially recorded at cost and adjusted periodically using the equity method. Dividends received in cash are recognized as the lower value of the investment.</p> <p>Equity securities registered in the National Register of Securities and Issuers (RNVE):</p> <p>The effect of the valuation of the investor's interest is accounted for in the respective unrealized gains or losses (OCI) accounts charged or credited to the investment.</p> <p>Dividends distributed in cash or in kind must be recorded as income, adjusting the corresponding unrealized gains or losses account (up to their accumulated value) and, if necessary, also the value of the investment in the amount of the surplus over that account.</p> <p>Investments in collective investment funds, private equity funds, hedge funds and mutual funds are accounted for by adjusting the value of the unit as a higher or lower value of the fund, and with a corresponding entry in the statement of income.</p>

		<p>valued in accordance with the price determined by valuation price vendors authorized by the SFC at fair value. In case the price determined by the price vendor is in a denomination other than Colombian pesos, it should be converted into the Colombian legal tender.</p> <p>Equity securities not listed on the stock exchange. When the price vendor designated as official of the relevant segment does not have a valuation methodology for these investments, entities must increase or decrease the acquisition cost in the interest percentage corresponding to the investor on the subsequent variations of the respective issuer's equity.</p> <p>For this purpose, the variation in the issuer's equity will be calculated based on the certified financial statements as of December 31 of each year. However, when more recent certified financial statements are known, they should be used to establish the respective variation. Entities will have a maximum term of three (3) months after the cutoff date of the financial statements to provide the respective update.</p> <p>Equity investments in entities under liquidation: The valuation is calculated based on the financial statements certified by the liquidator and are presented as transactions within other assets.</p>	<p>Equity securities that are listed only on stock exchanges abroad:</p> <p>The effect of the valuation of the investor's interest is accounted for in the respective unrealized gains or losses (OCI) accounts charged or credited to the investment.</p> <p>Equity securities not listed on the stock exchange are recorded by subsequent variations in the respective issuer's equity as a higher or lower value of the investment against the respective "unrealized gains or losses (OCI) account".</p> <p>Dividends distributed in cash or in kind must be recorded as income, adjusting the corresponding unrealized gains or losses account (up to their accumulated value) and, if necessary, also the value of the investment in the amount of the surplus over that account.</p> <p>Equity investments in entities under liquidation: They are registered by the variation of the equity certified by the liquidator in the financial statements and are impaired at 100% and presented as transactions within other assets.</p>
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Derecognition of assets

A financial asset (or, as the case may be, part of a financial asset or part of a group of similar financial assets) is derecognized:

- Upon the expiry of contractual rights over the asset's cash flows;
- When the contractual rights to the asset's cash flows are transferred or an obligation to pay all cash flows to a third party is assumed without a significant delay and through a transfer agreement;
- When all risks and benefits of ownership of the asset have been substantially transferred;
- When the risks and rewards of ownership of the asset are substantially retained, but control of the asset has been transferred.

Where the Corporation has transferred its contractual rights to receive the asset's cash flows, or has entered into a transfer agreement but has not substantially transferred or retained all the risks and benefits ownership of the asset, or transferred the control over the same, the asset continues to be recognized.

Reclassification of investments

The Corporation may reclassify its investments only in accordance with the following provisions:

Reclassification of investments at amortized cost to investments through profit and loss

There is a possibility to reclassify an investment from the category of investments at amortized cost to the category of investments through profit and loss when any of the following circumstances occur:

- A significant impairment in the conditions of the issuer, its parent company, its subsidiaries or its affiliates;
- Changes in regulation that prevent holding the investment;
- Merger or institutional reorganization processes that entail the reclassification or realization of the investment, in order to maintain the previous position of interest rate risk or to comply with the credit risk policy previously established by the surviving entity;
- In other cases in which the Finance Superintendence of Colombia has given its prior and express authorization.

Reclassification of investments through other comprehensive income to investments through marketable income or to investments at amortized cost

Investments may be reclassified in the category of investments through other comprehensive income to any of the other categories:

- When the composition of the company's significant activities is redefined as a result of circumstances such as changes in the business cycle or market niche in which the regulated entity is acting or in its risk appetite;
- When the assumptions of adjustment in the management of the investments that the business model has previously defined materialize;
- When investors lose its parent or controlling interest, and such circumstance also implies the decision to dispose of the investment in the short term as of that date; or
- When any of the circumstances contemplated in the reclassification of the investments to hold marketable investments to maturity takes place.

Provisions applicable to the reclassification of investments

In relation to reclassification of investments, the following rules must be observed:

- When investments at amortized cost are reclassified to investments through profit and loss, the rules on the valuation and accounting of the same must be observed;
- When investments through other comprehensive income are reclassified to investments through profit and loss, the result of the reclassification of investments must be recognized and maintained in "Other Comprehensive Income (OCI)" as unrealized gains or losses, until the sale of the corresponding investment is made;
- When investments through other comprehensive income are reclassified to investments at amortized cost, the rules on the valuation and accounting of the same must be observed. Consequently, unrealized gains or losses, which are recognized in OCI must be written off against the registered value of the investment, since the effect of the fair value will no longer be realized given the decision to reclassify to the category of investments at amortized cost. This way the investment must be registered as if it had always been classified in the category of investments at amortized cost. Likewise, as of that date the investment must be valued under the same conditions of Internal Rate of Return of the day prior to the reclassification;
- When the General Directorate of Public Credit and the National Treasury of the Ministry of Finance and Public Credit carry out debt management operations or transitory liquidity operations on public debt securities, entities subject to the inspection and supervision of the Finance Superintendence of Colombia may reclassify such securities from the "available-for-sale" or "held-to-maturity" investments category to the "marketable investments" category. In any case, only securities may be reclassified in those transactions carried out with the fulfillment of the assumptions and conditions provided, for the amount effectively traded.

Impairment or losses by issuer risk rating.

For the impairment of investments in debt securities, as well as equity securities that are valued at equity variation, the Corporation adjusts them on each valuation date based on:

- The rating applicable to the issuer and/or the security in question whenever it exists;
- Objective evidence that an impairment loss has been incurred or could be incurred in asset value.

For the purposes of measuring and recognizing the impairment of investments in subsidiaries, affiliates and associates in the individual financial statements, the Corporation must comply with the provisions of IAS 36 contained in the Technical Framework of the Annex to Single Regulatory Decree 2420/2015, amended by Decrees 2496/2015, 2131/2016, 2170/2017, 2483/2018, 2270/2019, 1432/2020 and 938/2021 or the rules that amend or replace the same.

When there is likelihood of impairment, the provisions to be realized are estimated according to Chapter I-1 of the Basic Accounting and Financial Circular.

Securities from unrated issuances or issuers:

Securities that do not have an external rating or that are issued by entities that are not rated will be classified as follows:

Category	Risk	Characteristics	Impairment
A	Normal	They comply with the terms agreed in the security and have an adequate ability to pay principal and interest.	Not applicable.
B	Acceptable	Corresponds to issuances that present uncertainty factors that could affect the ability to continue to adequately comply with debt services. Likewise, their financial statements and other available information exhibit weaknesses that may affect their financial situation.	Net value cannot exceed 80% of the acquisition cost, net nominal value of the amortizations made up to the valuation date.
C	Appreciable	Corresponds to issuances that exhibit high or medium probability of default in the timely payment of principal and interest. Likewise, their financial statements and other available information show deficiencies in their financial situation that jeopardize the recovery of the investment.	In the case of debt securities, the value for which they are accounted for may not exceed sixty percent (60%) of their nominal value, net of amortizations made up to the valuation date. In the case of Equity securities, the value for which they are accounted for cannot exceed sixty percent (60%) of their investment value by the equity method at the valuation date.
D	Significant	Corresponds to those issuances that exhibit breaches in the terms agreed in	In the case of debt securities, the value for which they are accounted for may not

		the security, as well as the investments in issuers that according to their financial statements and other available information present marked deficiencies in their financial situation.	exceed forty percent (40%) of their nominal value, net of amortizations made up to the valuation date. In the case of Equity securities, the net value of credit risk provisions (carrying value less provision) at which they are accounted for cannot exceed forty percent (40%) of their investment value by the equity method at the valuation date.
E	Uncollectible	Corresponds to those investments by issuers estimated to be uncollectible according to their financial statements and other available information.	The value of these investments is fully provisioned.

Securities from issuances or issuers with external ratings

Long-term rating (*)	Maximum Value %	Short-term rating	Maximum value %
BB+, BB, BB-	Ninety (90)	3	Ninety (90)
B+, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 and 6	Zero (0)
DD, EE	Zero (0)	5 and 6	Zero (0)
(*) Corresponds to the rating code reported by the Finance Superintendence of Colombia for long-term issuers, "Speculative Investment Category"			

In any case, if the impairment on investments classified at amortized cost and in respect of which a fair value can be established; such impairment corresponds to the difference between the registered value of the investment and the fair value, when this is lower.

For the effect of estimating impairment on term deposits, the rating of the respective issuer should be taken into consideration.

External ratings must be made by a securities rating company authorized by the Finance Superintendence of Colombia or by an internationally recognized securities rating company, in the case of securities issued by foreign entities and placed abroad.

In the event that the investment or issuer has rating from more than one rating company, the lowest rating must be taken into account, if they were issued within the last three (3) months, or the most recent when more than three months have elapsed between the two ratings.

2.9 Accounts Receivable

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. It records the outstanding amounts such as dividends and interests, returns resulting from financial intermediation, commissions for services rendered and payments on behalf of customers, as well as the amounts resulting from the sale of goods and services, leases, promises to sell, advances of agreements and providers, and fees. Losses resulting from impairment are recognized in the statement of income. (See note 14)

2.10 Transactions with derivative financial instruments.

In accordance with International Financial Reporting Standard 9 a derivative is a financial instrument, whose value changes over time based on an underlying variable, does not require a net initial investment or requires a small investment in relation to the underlying asset and is settled at a future date.

In the performance of its operations the Corporation generally trades in the financial markets in financial instruments with forwards, futures, swaps and options that comply with the definition of derivative.

All derivative transactions are initially recorded at fair value with subsequent changes in fair value adjusted with a charge or credit to profit and loss.

Financial assets and liabilities for derivative transactions are not offset in the statement of financial position; However, when there is a legal and enforceable right to offset recognized securities and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously they are presented net in the statement of financial position.

Financial Hedging Instruments

It is that traded to hedge a primary position against possible losses caused by adverse movements in market or credit factors affecting an asset, liability or contingency. The negotiation of this type of instrument seeks to limit or control one or more of the financial risks generated by the primary item being hedged.

When they hedge the exposure to the variation in cash flows attributed either to a particular risk associated with a recognized asset or liability or to a highly probable forecast transaction. The effective portion of the gain or loss on the measurement of the hedging instrument is recognized immediately in other comprehensive income, while the ineffective portion is recognized in the income statement as financial expense. If the hedging instrument expires or is sold, terminated, or exercised without a successive replacement or renewal of a hedging instrument with another hedging instrument, or if the effectiveness requirements of the hedge subsequent to any rebalancing of the hedging relationship are no longer met, any cumulative gain or loss previously recognized in comprehensive income remains in comprehensive income until the forecast transaction or firm commitment affects income. The Corporation shall discontinue hedge accounting when the hedging relationship no longer meets the hedged risk management objective, the hedging instrument expires or is sold, terminated, or exercised, or when hedge accounting no longer applies. Any gain or loss recognized in other comprehensive income and accumulated to date in equity is retained and is finally

recognized in profit or loss for the period when the expected transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

A hedge is considered effective if, at the beginning of the period and in subsequent periods, the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are offset and the hedge effectiveness is within a range of 80% to 125%. The Corporation documents at the beginning of the transaction the relationship between the hedging instrument and the hedged item, as well as the risk-management objective and strategy for undertaking the hedge. The Corporation also documents at the beginning of the transaction and on a recurring basis its assessment of the effectiveness of the hedging relationship in offsetting the foreign currency exposure generated by the net foreign investment or fair value of other assets.

2.11 Assets delivered under lease.

Assets delivered under lease by the Corporation are classified upon the execution of the respective contract as financial or operating leases. A lease is classified as a financial lease when it substantially transfers the risks and advantages inherent in the property. A lease is classified as an operating lease if it does not substantially transfer all the risks and benefits inherent in the property. The Corporation holds assets leased to its subsidiaries and are classified as operating leases.

2.12 Property and equipment for own use.

Property and equipment for own use include the assets owned or leased by the Corporation for current or future use and which it expects to use for more than one fiscal year. It also includes the tangible assets received for the total or partial liquidation of financial assets that represent collection rights to third parties and which are expected to be used continuously.

Property and equipment for own use are recorded in the balance sheets at cost, less accumulated depreciation and, if applicable, estimated losses resulting from comparing the net book value of each item with its corresponding recoverable value.

Depreciation is calculated using the straight-line method on the acquisition cost of the assets, less their residual value; it being understood that the land on which the buildings and other constructions are built have an indefinite useful life and that, therefore, are not subject to depreciation. This depreciation charged to income is calculated based on the following useful lives:

Component	Useful Life	Residual Value	Method
Buildings	70	20%	Straight line
Adaptations	20	10%	Straight line
Office equipment and furniture	10	0%	Straight line
Computer equipment	5	0%	Straight line

Vehicles	5	10%	Straight line
Mobilization equipment	20	0%	Straight line

At each accounting close, the Corporation analyzes whether there are indications, both external and internal, that a material asset may be impaired. If there is evidence of impairment, the entity analyzes whether there is in fact such impairment by comparing the net book value of the asset with its recoverable value (as the greater of its fair value less disposal costs and its value in use). When the carrying amount exceeds the recoverable amount, the carrying amount is adjusted to its recoverable amount, modifying future amortization charges, in accordance with its new remaining useful life.

Similarly, when there are indications that the value of a tangible asset has been recovered, the Corporation estimates the recoverable value of the asset and recognizes it in the statement of income, recording the reversal of the impairment loss accounted for in previous periods, and adjust future charges for depreciation accordingly. In no case the reversal of the impairment loss of an asset may result in an increase in its carrying amount above that which would have been incurred if there were no impairment losses recognized in prior years.

The maintenance expenses of property and equipment are recognized as an expense in the year in which they are incurred and recorded under "Administrative expenses".

At least once a year, the Corporation assesses the useful lives and their residual value and will make adjustments in the financial statements if necessary. See note 15.

2.13 Investment Properties

In accordance with International Accounting Standard IAS 40 "Investment Properties" investment properties are defined as those lands or buildings considered wholly, in part or both that are held by the Corporation to obtain income, valuation of the asset or both in lieu of their use for purposes of the Corporation.

Investment properties are initially recorded at cost, which includes all costs associated with the transaction. Subsequently such assets can be measured at depreciated cost in the same way as property, plant and equipment or at their fair value. Changes in the fair value variation are recognized in the statement of income.

Such fair value is determined on the basis of appraisals conducted periodically by independent experts using level three valuation techniques described in IFRS 13 "Measurement of Fair Value".

This category includes Assets Received in Payment or Refunded which, in accordance with the provisions of circular 036 of 2014 of the Finance Superintendence of Colombia must be provisional regardless of their accounting classification, in accordance with the instructions established in Chapter III of the Basic Accounting and Financial Circular.

Realizable assets received as payment – Registers the value of the assets received by the Corporation in payment of uncollected balances from loans in its favor.

Assets received in payment represented in real estate are received based on a technically determined commercial appraisal based on market value.

The following conditions are taken into account for the registration of assets received in payment:

- The initial registration is made according to the value determined in the legal award or that agreed with debtors;
- When the property received in payment is not disposed of, its cost is increased with the necessary expenses incurred for the sale.
- If, between the value at which the asset is received and the amount of the loan to be canceled there is a positive balance in favor of the debtor, this difference is accounted for as an account payable. If the value of the asset does not cover the entire obligation, a provision is created for the amount equivalent to the difference.

Provision for realizable assets received in payment – Individual provisions for real estate are created by applying the model developed by the Corporation and approved by the Finance Superintendence of Colombia. The model estimates the maximum expected loss in the sale of the assets received in payment, according to its history of recoveries on assets sold, the inclusion of expenses incurred in the receipt, maintenance and sale of the same and the grouping of these expenses in common categories for estimating the base rate of provision. This rate is adjusted monthly to eighty percent (80%) of the provision.

Once the legal term for sale has expired without an extension being authorized, the provision must be one hundred percent (100%) of the remaining book value. In the event of an extension, thirty percent (30%) of the provision may be created at the end of the same. See note 17.

2.14 Assets received under lease.

Assets received under lease at initial receipt are also classified as financial or operating leases in the same way as the leased assets described in 2.11. Leases that are classified as financial leases are included in the balance sheet as property, plant and equipment for own use or as investment properties according to their subject matter and are initially recorded in assets and liabilities simultaneously for an amount equal to the fair value of the asset received under lease or by the present value of the minimum rent, whichever is lower. The present value of the minimum rent is determined using the unimpaired interest rate in the lease, or if it does not have an interest rate, the average interest rate on the bonds placed by the Corporation in the market. Any initial direct cost of the lessee is added to the amount recognized as an asset. The amount recorded as a liability is included in the financial obligations account and recorded in the same manner.

2.15 Other Assets.

The following, among others, are included in this item, (a) expenses paid in advance of the Corporation in the performance of its corporate purpose in order to receive future benefits and correspond mainly to computer software, which are measured initially at the cost incurred in the acquisition and after their initial recognition, these assets are amortized over their estimated useful life which for software is a period of no more than three (3) years. However, in the case of advanced

technology software that are deemed to be global platform that will allow the future growth of the entity in line with market developments and whose development or acquisition costs exceed 30% of the technical capital of the respective entity, including the hardware, subject to the favorable opinion of the Finance Superintendence of Colombia may be deferred to five (5) years from the moment each product begins its productive stage, through a gradual and upward program with percentages of 10%, 15%, 20%, 25% and 30%, respectively or similar percentages, (b) Art and Culture Goods that are measured at cost, and (c) Equity investments in entities under liquidation, which are registered based on the financial statements certified by the liquidator.

2.16 Financial Liabilities.

A financial liability is any contractual obligation of the Corporation to deliver cash or another financial asset to another entity or person or to exchange financial assets or liabilities under conditions that are potentially unfavorable to the Corporation, a contract that will be or may be liquidated using the entity's own equity instruments. Financial liabilities are initially recorded at their transaction value, which, unless otherwise determined, is similar to their fair value, less transaction costs that are directly attributable to their issuance. Subsequently, these financial liabilities are measured at amortized cost in accordance with the effective interest rate method determined at the initial time charged to results as financial expenses.

Financial liabilities are only derecognized when the obligations they generate are extinguished or when they are acquired (either with the intention of canceling them or with the intention of replacing them). See note 18 and 19.

2.17 Employee Benefits.

In accordance with International Accounting Standard IAS 19 "Employee Benefits", for the purposes of recognition are all forms of consideration granted by the Corporation in exchange for services rendered by employees and are divided into four classes:

a) Short-term benefits

According to Colombian employment standards, these benefits correspond to salaries, legal and extralegal premiums, vacations, severance and social security contributions to state entities that are paid 12 months after the end of the period. These benefits are accrued by the accrual system, charged to results.

b) Post-employment benefits

These are benefits that the Corporation pays to its employees at the time of their retirement or after completing their period of employment, other than compensation. These benefits, according to Colombian labor standards correspond to retirement pensions assumed by the Corporation directly.

c) Other benefits to long-term employees

These are all employee benefits other than short-term and post-employment benefits and severance payments. In accordance with the Corporation's regulations, these benefits essentially correspond to seniority premiums.

The liability for long-term benefits is determined based on the present value of the estimated future payments to be made to employees, calculated on the basis of actuarial studies prepared by the projected unit credit method using actuarial assumptions of mortality rates, salary increases and staff turnover, and interest rates determined with reference to the current market yields of bonds at the end of the period of National Government emissions or high quality business obligations. Under the projected unit credit method, future benefits to be paid to employees are assigned to each accounting period in which the employee renders the service. Therefore, the corresponding expense for these benefits recorded in the Corporation's statement of income includes the present service cost assigned in the actuarial calculation plus the financial cost of the calculated liability. Variations in the liability for changes in actuarial assumptions are recorded in equity in the other comprehensive income account.

d) Benefits of termination of employment contract with employees

These benefits correspond to payments that have to be made by the Corporation from a unilateral decision of the Corporation to terminate the contract or by an employee decision to accept a benefits offer from the Corporation in exchange for the termination of the employment contract. In accordance with Colombian law, these payments correspond to severance payments and to other benefits that the Corporation unilaterally decides to grant to its employees in these cases.

Termination benefits are recognized as a liability charged to results on the first of the following dates:

- When the Corporation formally notifies the employee of its decision to terminate the employment contracts;
- When provisions for restructuring costs are recognized by a subsidiary or business of the Corporation that involves the payment of termination benefits.

The Corporation currently has no restructuring plans in place. (See note 24)

2.18 Accounts Payable

After initial recognition, interest-bearing accounts payable are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of income when liabilities are derecognized, as well as through the amortization process using the effective interest rate method.

The amortized cost is calculated taking into account any discount or premium on the acquisition and the commissions or costs that are an integral part of the effective interest rate. The effective interest rate is recognized as a financial cost in the statement of income. (See note 23.)

2.19 Income tax

Income tax expense includes current tax and deferred tax. The tax expense is recognized in the statement of income except in the portion corresponding to items recognized in the of other comprehensive income account in equity. In this case the tax is also recognized in said account.

The current income tax is calculated on the basis of the tax laws in force in Colombia at the date of the financial statements. The Corporation's Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establish provisions where appropriate on the basis of expected amounts to be paid to the tax authorities.

Deferred taxes are recognized on temporary differences arising between the tax bases of assets and liabilities and the amounts recognized in the financial statements that give rise to amounts that are deductible or taxable when determining the future taxable profit or loss when the book value of the asset is recovered or the liability is settled. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred tax is not accounted for if the initial recognition of an asset or liability arises in a transaction other than a business combination that at the time of the transaction does not affect the accounting or taxable profit or loss. Deferred tax is determined using tax rates that are in effect at the balance sheet date and are expected to be applied when the deferred tax asset is realized or when the deferred tax liability is offset.

Taking into account that IAS 12 "Income Taxes" only refers to the term income tax, which includes all taxes, whether domestic or foreign, based on tax gains. In that sense, when taxed by the presumptive income system, the company's tax payable is determined on a different tax base based on a presumption of the net assets' profitability and not on ordinary income or tax gains. Under this presumptive system temporary differences will not generate higher or lower tax payments in future periods as long as the entity continues to pay its taxes under this system.

This is in accordance with IAS 12, where the recognition of deferred taxes is based on the recovery of the carrying amount of the assets or settlement of the liabilities, resulting in higher or lower tax payments in future related periods with tax gains determined on the ordinary system.

Therefore, Management considers that in order for its Financial Statements to facilitate decision-making, by providing relevant information adjusted to its tax system it will not recognize deferred income taxes except on temporary differences resulting in supplementary taxes on irregular income, since a change in the nature of its operations that would modify the tax base is not expected in the foreseeable future. This situation should be reviewed at each cutoff date in order to determine the most appropriate treatment for the recognition of deferred taxes in accordance with IAS 12 Income Taxes.

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against which temporary differences may be used.

Deferred tax liabilities are provided on taxable temporary differences arising, except for the deferred tax liability on investments in subsidiaries, associates and joint ventures when the opportunity for reversal of the temporary difference is controlled by the Corporation and it is probable that the temporary difference will not be reversed in the near future. Generally, the Corporation does not have the ability to control the reversal of temporary differences in investments in associates.

Deferred tax assets are recognized on deductible temporary differences of investments in subsidiaries and associates only to the extent that it is probable that the temporary difference will be reversed in the future and there is sufficient fiscal profit against which the temporary difference can be used.

Deferred tax assets and liabilities are offset when there is a legal right to offset deferred taxes against tax liabilities and when deferred tax assets and liabilities are related to taxes levied by the same tax authority on the same entity or different entities when there is an intention to offset balances on net bases. See note 18.

2.20 Provisions.

Provisions for legal claims are recognized when the Corporation has a present or assumed legal obligation as a result of past events, it is probable that an outflow of resources is required to settle the obligation and the amount has been estimated reliably. Restructuring provisions include penalties for cancellation of leases and payments for dismissal of employees.

When there are several similar obligations, the probability that a cash outflow is required is determined by considering the type of obligations as a whole. A provision is recognized even if the probability of the outflow of a cash flow with respect to any item included in the same class of obligations can be measured reliably.

Provisions are valued at the present value of the disbursements expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the value of money over time and of the specific risks of the obligation. The increase in the provision due to the passage of time is recognized as a financial expense. See note 25.

2.21 Non-voting preferred shares

In accordance with IFRS 32 "Financial Instruments: Presentation", the issuer of a non-derivative financial instrument must evaluate its conditions to determine whether it contains liability and equity components. These components are classified separately as financial liabilities or equity instruments for the issuer. In accordance with the foregoing, the Corporation has evaluated this requirement in relation to the non-voting preferred shares it has issued as of the cutoff dates of this financial statement and has concluded that these shares do not have the characteristics of financial liabilities and are therefore recognized as a greater value of equity.

2.22 Revenues

Revenues are measured at the fair value of the consideration received or receivable, and represent amounts receivable for goods delivered, net of discounts, returns, and value added tax. The Corporation recognizes revenues when their amount can be reliably measured, it is probable that the company will obtain future economic benefits and when the specific criteria for each of the Corporation's activities have been met, such as outlined below:

Provision of services

The Corporation provides services of different kinds. The recognition of revenues from the provision of services is effected in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction and evaluated on the basis of the actual service provided as a proportion of the total services to be provided. When services are rendered through an undetermined number of acts over a specified period of time, revenues from ordinary activities are recognized in a linear fashion over the agreed time interval.

Commission income

Corficolombiana's investment banking department generates commission income for structuring and advising on syndicated loans, corporate bonds and investment project research. (See note 32).

Among the products offered by Corficolombiana investment banking are:

- Funding: project financing and capital market (equity and debt);
- Corporate finance: mergers, acquisitions and sale of companies and capitalizations;
- Advice and structuring: structuring of projects, consultancies and financial diagnostics.

Interest income

Interest income is recorded using the effective interest rate method for all financial instruments measured at amortized cost. The effective interest rate is the rate that exactly discounts the estimated cash payments or collections during the expected life of the financial instrument, or a shorter period, when applicable, to the net book value of the financial asset or liability. Interest income is recorded as financial income in the statement of income.

Equity method

Corresponds to increases or decreases in the equity of subsidiaries and/or associates originating in the results of the period and in the variations of other equity items, which must be cleaned and reconciled. This value in the proportion proportional to the Corporation's interest will be recognized as a higher or lower value of the investment at the date of the calculation. Its counterpart will be an income or expense in the statement of income or effects in equity, as appropriate. (See note 29)

Dividends

Revenues are recognized when Corficolombiana's right to receive the corresponding payment is established, which usually happens when the shareholders approve the dividend. The dividend is recognized in profit or loss for the period unless the entity chooses to use the equity method, in which case the dividend will be recognized as a reduction in the carrying amount of the investment.

Revenues received as dividends or profit sharing methods are considered as operating income when these are directly related to the corporate purpose of the entity and if these are recurring or when they come from entities that have a similar corporate purpose. (See note 30)

Lease income

Revenues from operating leases in real estate investments are recognized on a straight-line basis over the lease period and are included as ordinary revenue due to their nature as operating income.

2.23 Net Earnings per Share

To determine net earnings per share, the Corporation divides the net profit for the period by the weighted average number of shares outstanding during the year. As of December 31, 2021 and 2020, the weighted average of the shares was 334,863,194 and 309,650,172 respectively.

2.24 Related Parties

Under IAS 24, a related party is a person or entity that is related to the entity preparing its financial statements in which control or joint control over the reporting entity could be exercised; exercise significant influence over the reporting entity; or be considered a member of the key management personnel of the reporting entity or of a parent of the reporting entity. The definition of related party includes: a) persons and/or relatives related to the entity, entities that are members of the same group (parent and subordinate), associates or joint ventures of the entity or entities of the group, post-employment benefit plans for employees of the reporting entity or a related entity.

The related parties of the Corporation are as follows;

- Shareholders: it includes major shareholders together with transactions with related parties as defined in IAS 24.
- Board Members: it includes main and alternate Board members together with transactions with related parties as defined in IAS 24.
- Key management personnel: it includes the President and Vice-Presidents of the company, who are involved in the planning, direction and control of the company. Some key management personnel, or their related parties, hold positions in other entities, resulting in them having significant control or influence over the financial or operating policies of these entities.
- Subordinated Companies: it includes the companies where the group has control in accordance with the definition of control of the code of commerce and IFRS 10 on consolidation.
- Associated companies: it includes companies over which Grupo Aval has significant influence, which is generally considered when owning a share between 20% and 50% of their capital.

2.25 Differences in the application of international financial reporting standards in force at an international level and accounting and financial reporting standards accepted in Colombia.

In accordance with Colombian law, the financial information standards applicable in Colombia are those issued by the National Government through the regulatory decrees of Law 1314 of 2009. To date, the National Government has issued, for such purpose, the Single Regulatory Decree 2420/2015, amended by Decree 2496/2015, 2131/2016, 2170/2017, 2483/2018, 2270/2019, 1432/2020 and 938/2021, which include the IFRS in force at an international level as of the second semester of 2020, in which it is established that IFRS are applied in individual financial statements, except as regards the treatment of the loan portfolio and its impairment and the classification and valuation of investments in IFRS 9, for which the accounting provisions issued by the Finance Superintendence included in the Basic Accounting and Financial Circular Letter are applied.

2.26 New regulations and amendments not adopted

Issued regulations and amendments applicable as of January 1, 2023

The amendments issued by IASB during 2019 and 2020 adopted by means of Decree 938/2021 and which shall be enforced from January 1, 2023 are detailed below.

Financial Information Standard	Subject of the amendment	Detail
IFRS 9 – Financial Instruments IAS 39 – Financial instruments: recognition and measurement IFRS 7 – Financial instruments: information to be disclosed	Reform of the Benchmark Interest Rate (amendments to IFRS 9, IAS 39 and IFRS 7).	Paragraphs 6.8.1 to 6.8.12 of IFRS 9 are added, regarding temporary exceptions to the application of specific hedge accounting requirements. Paragraphs 102A to 102N and 108G are added to IAS 39, regarding temporary exceptions to the application of specific hedge accounting requirements. Paragraphs 24H on uncertainty arising from the reform of the reference interest rate, 44DE and 44DF (effective date and transition) are included. Earlier application is permitted (although no significant impact is expected for Colombian entities) and their requirements will be applied retrospectively only to hedging relationships that existed at the beginning of the reporting period in which the entity first applies those requirements.
IFRS 9 – Financial Instruments IAS 39 – Financial instruments: recognition and measurement IFRS 7 – Financial instruments: information to be disclosed IFRS 4 – Insurance agreements IFRS 16 – Leases	Reform of the Benchmark Interest Rate – Phase 2	Paragraphs 5.4.5 to 5.4.9 Changes in the basis for determining contractual cash flows as a result of the reform of the benchmark interest rate (measurement at amortized cost), 6.8.13 Termination of the application of temporary exemption in hedging accounting, 6.9.1 to 6.9.13 Additional temporary exceptions arising from the reform of the benchmark interest rate, 7.1.10 Effective Date and 7.2.43 to 7.2.46 Transition for the reform of the benchmark interest rate Phase 2 of IFRS 9 are added. Paragraph 10M Termination of the application of temporary exception in hedging accounting is amended, paragraphs 102O to 102Z3 Additional temporary exceptions arising from the reform of the benchmark interest rate and 108H to 108K Effective date and transition are added and new headings are added of IAS 39. Paragraphs 24I, 24J Additional disclosures related to the reform of the benchmark interest rate, 44GG and 44HH Effective date and transition, and new headings, of IFRS 7 are added. Paragraphs 20R and 20S Changes in the basis for determining contractual cash flows as a result of the reform of the benchmark interest rate, and paragraphs 50 and 51 Effective date and transition date, and new headings, of IFRS 4 are added. Paragraphs 104 to 106 Temporary exception arising from the reform of the benchmark interest rate, and paragraphs C20C and C20D Reform of the benchmark interest rate phase 2, of IFRS 16 are amended. Early application is permitted.
IFRS 3 – Business Combinations	Amendments by reference to the conceptual framework	Amendments are made to the references to align them with the conceptual framework issued by IASB in 2018 and incorporated to our legislation, in such sense the identifiable assets acquired and liabilities assumed in a business combination, at the transaction date, will correspond to those that meet the definition of assets and liabilities described in the conceptual framework ⁵ . Paragraphs 21A, 21B and 21C are incorporated regarding the exceptions to the recognition principle for contingent liabilities and contingent liabilities within the scope of IAS 37 and IFRIC 21. Paragraph 23A is incorporated to define a contingent asset and clarify that the acquirer in a business

		combination shall not recognize a contingent asset at the acquisition date. Earlier application is permitted. Any effect on its application will be made prospectively.
IAS 16 – Properties, plant and equipment	Amended in connection with proceeds obtained before the foreseen use.	The amendment deals with costs directly attributable to the acquisition of the asset (which are part of the PPYE element) and refer to "the costs of testing whether the asset is functioning properly (i.e. whether the technical and physical performance of the asset is such that it can be used in the production or supply of goods or services, for leasing to others or for administrative purposes)". Paragraph 20A states that the production of inventories, while the PPYE item is in the condition intended by management, at the time of sale, will affect the result for the period, together with its corresponding cost. Its early application is allowed. Any effect on its application will be made retrospectively, but only to PPYE elements that are brought to the location and condition necessary for them to operate in the manner intended by management as of the beginning of the earliest period presented in the financial statements in which the entity first applies the modifications. The cumulative effect of the initial application of the amendments shall be recognized as an adjustment to the opening balance of retained earnings (or other component of equity as appropriate) at the beginning of the first period presented.
IAS 37 – Provisions, contingent liabilities and contingent assets	Valuable agreements – Cost of compliance with an Agreement.	It is clarified that the cost of fulfilling an agreement includes the costs directly related to the agreement (direct labor and material costs, and the allocation of costs directly related to the agreement). Early application is allowed. The effect of applying the amendment will not restate comparative information. Instead, the cumulative effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
Annual improvements to IFRS Standards 2018-2020	Amendments to IFRS 1 – First-time adoption of International Financial Reporting Standards, IFRS 9 – Financial instruments and IAS 41 – Agriculture	Amendment to IFRS 1. Subsidiary that adopts IFRS for the first time. Paragraph D13A of IFRS 1 is added, incorporating an exemption for subsidiaries that adopt IFRS for the first time and take as balances in the opening statement of financial position the carrying amounts included in the financial statements of the parent company (letter a of paragraph D16 of IFRS 1) in order to measure the cumulative translation differences for the carrying amount of such item in the consolidated financial statements of the parent company (also applies to associates and joint ventures). Amendment to IFRS 9. Commissions in the "10% test" with respect to the derecognition of financial liabilities. A text is added to paragraph B3.3.6 and B3.3.6A is added, especially to clarify the recognition of the commissions paid (to the result if it is a cancellation of the

		liability, or as a lower value of the liability if it is not treated as a cancellation). Amendment to IAS 41. Taxes on fair value measurements. The phrase "nor flows for tax" is removed from paragraph 22 of IAS 41, the reason for the above is because "prior to Annual Improvements to IFRS Standards 2018-2020, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value, but did not require the use of a pre-tax discount rate to discount those cash flows". This aligns the requirements of IAS 41 with those of IFRS 13. Earlier application is permitted
IAS 1 – Presentation of financial statements	Amendments related to classifications of liabilities as current or non-current are made.	<p>This amendment was issued in January 2020 and subsequently amended in July 2020. It amends the requirement to classify a liability as current by stating that a liability is classified as current when "it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period". It clarifies in the added paragraph 72A that "an entity's right to defer settlement of a liability for at least twelve months after the reporting period must be substantive and, as illustrated in paragraphs 73-75, must exist at the end of the reporting period".</p> <p>Earlier application is permitted. The effect of application on comparative information shall be made retrospectively</p>
Extension of Temporary Exemption of Application of IFRS 9 – Financial instruments	Amendments to IFRS 4 – Insurance Agreements	Paragraphs 20A, 20J and 20O of IFRS 4 are amended to allow the temporary exemption that permits, but does not require, an insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 for annual periods beginning before January 1, 2023 (due to a new international requirement contained in IFRS 17 as of that date).

(3) Critical accounting judgments and estimates in the application of the Policies.

The Corporation makes estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amount of the assets and liabilities within the subsequent accounting period. The judgments and estimates are continuously assessed and are based on the experience of the Corporation and other factors, including the expectations of future events believed to be reasonable under the circumstances.

The Corporation also makes certain judgments in addition to those involving estimates in the process of applying the accounting policies. The judgments with the most significant effects on the recognized amounts in the individual financial statements and the estimates that may cause a significant adjustment in the assets and liabilities book value for the subsequent accounting period include:

- 3.1. **Going Concern:** The Corporation prepares the financial statements based on a going concern. When making this judgment, the Corporation considers the current financial position, the result of the operations and the access to financial resources in the financial market, and analyzes the impact said factors have in future operations. As of the date of this report, we are not aware of any situation that makes us believe that the Corporation will not be able to

continue as a going concern so it was not required to involve a significant judgment to conclude on the going concern hypothesis.

- 3.2. Removal of financial assets from the balance sheet:** The management applies judgments to determine if substantially all the significant risks and returns of the property of the financial assets are transferred to third parties, particularly what are the most significant risks and returns.
- 3.3. Appraisal of investment properties (See Note 17):** The investment properties are reported in the balance sheet at their fair value as determined in the reports prepared by independent experts at the end of each reporting period. Due to the current conditions of the country, the frequency of transactions with properties is low; however, management estimates that there is sufficient market activity to provide comparable prices for the ordered transactions with similar properties when determining the fair value of the investment properties of the Corporation, except for the properties where the Corporation has no control or these have legal or public problems.

The Corporation has revised the assumptions used for the appraisal by the independent experts and considers that factors such as inflation, interest rates, etc., have been appropriately determined considering the market conditions as of the end of the reporting period.

- 3.4. Estimates for contingencies (See Note 26):** The Corporation calculates and registers an estimate for contingencies with the purpose of covering its possible losses for labor cases, civil and commercial proceedings, and tax provisions or others according to the circumstances that, based on the opinion of internal or external legal advisors, are considered probable losses and may be reasonably quantified.

Considering the nature of many of the claims, cases and/or proceedings, in some cases it is not possible to make an accurate forecast or quantify an amount of losses in a reasonable way, for which the actual amount of the disbursements effectively made by the claims, cases and/or proceedings constantly differs from the initially estimated and provisions amounts, and said differences are recognized in the year in which they are identified.

- 3.5. Retirement Plan (See Note 24):** The measurement of the pensions obligations, costs and liabilities greatly depend on long-term premises determined over actuarial bases, including estimates of the current value of the projected future pension payments for the members of a plan, considering the probability of future potential events, such as increases in the minimum salary and demographic experience. These premises may affect the amount and the future contributions in the event of any variation.

The discount rate allows establishing future cash flows at the current value as of the date of measurement. The Corporation determines a long-term rate that represents the high-quality fixed-income investment market rate or for Government Bonds in the currency in which the benefit will be paid, and considers the opportunity and amounts of the payments of future benefits, for which the Corporation has selected Government bonds.

(4) Risk Management

The activities of the Corporation expose it to several financial risks: market risk (including foreign exchange risk, interest rate fair value risk, interest rate cash flow risk and price risk), credit risk, liquidity risk, and operating and legal risks.

According to the regulations established by the Finance Superintendence of Colombia, the risk management process of the company is within the guidelines designed by Senior Management, in line with the general management guidelines approved by the Board of Directors.

The Corporation has a Credit and Counterpart Risk Committee and an Investment Committee, which periodically meet to discuss, measure, control and analyze the treasury risk management of the Corporation (SARM) and the management of assets, liabilities and liquidity through the Liquidity Risk Management System (SARL); anything related to the monitoring of the Operating Risk Management System (SARO), Money Laundering and Terrorism Financing Risk Management (SARLAFT), Financial Consumer Assistance System (SAC) and information security are developed in the Corporate Governance, Risk and Compliance Committee (GRC Committee). Compliance with legal risks is monitored by the general secretary of the Corporation. Moreover, there is a Risk Committee of the Board of Directors that holds regular meetings every 6 months or extraordinary meetings if there are established situations of liquidity risk and market risk.

Objectives – The treasury activities of the Corporation are made within a limit and policies framework established by the Board of Directors, and are monitored and controlled by Corporate Risk Management. The decisions are made within said framework based on the permanent and continuous monitoring of the internal and external economic variables. All with the purpose of maximizing the risk/return ratio of the managed portfolios, of optimizing the return of the commercial relationship with the clients of the Corporation and capturing the opportunities detected in the different markets in which it participates:

- Internal Public Debt (as Market Creator)
- Private Debt
- Currencies
- Derived instruments in local currency
- Derived instruments in foreign currency

Risk taking philosophy – To ensure that the treasury activities adhere to the objectives and strategies of the Corporation, the Board of Directors monitors the risk profile by monitoring the treasury positions, the Market Risk, Credit Risk, Liquidity Risk and Operating Risk limits.

The risk assumption philosophy is consistent with the general policies for asset and liability management and considers aspects such as economic analysis, technical analysis, fundamental analysis and the effect of environmental changes in the bank ledger and the treasury ledger.

Management

Board of Directors – The board of directors is the body in charge of approving the policies and limits that allow an adequate corporate risk management. It defines the appetite and the risk tolerance and it has the obligation to know the results obtained and the risks undertaken in Corficolombiana and its Subsidiary Entities. Similarly it is also in charge of approving the policies for the treasury operations; it ensures the proper organization, monitoring or surveillance of the treasury activities.

This responsibility includes establishing the risk-taking limits on said activities, and adopting the organizational measures necessary to limit the risks inherent to the treasury business.

Likewise the board of directors approves the policies, strategies and regulations for acting to be followed by the entity in performance of treasury activities, such as approving credit operations in the local and/or foreign currency, the market or markets in which it is allowed to act, the procedures to measure, analyze, monitor, control and manage the risks, as well as the limits of the risk positions according to the type of risk, the business, the counterparty, the product or the organizational area.

The Board of Directors also has the power to approve the procedures to be followed in the event that the limits are exceeded or in the event of strong and sudden changes in the market. Likewise, this body is responsible for analyzing and assessing both the internal and external types of management and accounting reports.

ALCO Committee – The main duties are to establish and recommend to the Board of Directors the policies, objectives, limits and procedures for managing risks. Monitor the risk management plan adopted, which shall include procedures for the operation, monitoring and control of the tolerance levels for a specific risk. Monitor the limit compliance report and authorize excesses based on the powers granted by the Board of Directors. Implement contingent action procedures in the event of losses in the maximum permitted levels and approve maximum variation values and variable benchmarks for sensibilities.

Credit and Counterparty Risk Committee – Its main duty is to evaluate and approve or recommend to the Board of Directors quotas for counterparties of the treasury business, such as quotas for spot, forwards, funding, issuers, etc.

Corporate Governance, Risk and Compliance Committee – Its main duty is to support the Presidency of Corficolombiana in the adequate identification, measurement, control and monitoring of the Corporate Risk. However, from the operating risk perspective, its main duties are to present, for the approval by the Board of Directors and senior management, the policies and rules for managing the operating risk and monitoring and controlling them. Design the operating risk management strategy for the Corporation and lead its execution. Establish the procedures and mechanisms, approving the methodologies and systems, for an appropriate operating risk management. Know and understand the operating risks assumed by the Corporation, permanently assessing the exposure to said risk. Participate in the assessment of the participation in new markets and in the negotiation of new products. Develop strategies for the construction of an operating risk management organizational culture within the Corporation. Assess the contingency and business continuity plans and establish the resources necessary for their timely execution.

Investment Committee – The objective of this committee is to make evaluations of the investments in order to classify, value and account the investments in securities or equities including their provisions or losses for credit risk rating, as well as to evaluate compliance with policies and limits (whether legal and/or internal) demanded for the portfolio of investments of the Corporation in the investment and/or disinvestment processes. The main functions are to monitor the procedure used and the result of the risk ratings of the capital investment portfolio of the Corporation, give opinions about changes and allocations of rating, review and approve the procedures used for the rating of investments and monitor the financial performance of the capital investments on a bi-annual basis.

Corporate Governance, Risk and Compliance Vice-presidency – The Corporate Governance, Risk and Compliance Vice-president reports to the Chairman, and its main duties are, among others, to establish and recommend the policies, objectives, limits and procedures for risk management to the Board of Directors, lead the risk process within Corficolombiana and Subsidiary Entities, supervise the performance and implement risk models in the analysis and control of corporate risks and assess the results of the monitoring and reports conducted by the Tax or Statutory Audit Office.

Corporate Risk Manager – The Corporate Risk Manager reports to the Executive Vice-presidency and its main duties are to measure the risks, to verify compliance with the established limits and policies, and to perform the risk analysis. Likewise, this area is in charge of preparing the reports on compliance with the policies and limits and the levels of exposure to different risks.

4.1. Market risk

The market risk of the Corporation is measured through the different analysis made based on recognized techniques for managing the financial risk with the purpose of controlling the levels of loss to which the Corporation may be exposed in its investments on financial assets due to the volatility of the markets in which it may participate.

The Senior Management and the Board of Directors of the Corporation participate in the risk management and control by analyzing an established reports protocol and by holding several Committees who jointly technically and fundamentally monitor the different variables that affect the markets at an internal and external level with the purpose of supporting strategic decisions.

The risks assumed with the operations are consistent with the general business strategy for the company and are contained within a limits structure for the positions in different instruments according to their specific strategy, the depth of the markets in which there are operations, their impact in the weighing of assets per risk and the level of solvency as well as the structure of the balance sheet.

Pursuant to the foregoing, Corficolombiana and each financial affiliate use the following limits scheme, considering the risk profile for each entity.

Portfolio position – The par value of the long-term, short-term and net position in public debt securities is limited considering the risk appetite of the Corporation and their rate characteristics: fixed or variable, and according to their maturity. Likewise, it limits the position in negotiable securities different to public debt securities, considering the aforementioned aspects and respective issuer quotas.

Currency Position – Limits the value of the position in Dollars (Short-term and Long-term), both in the “intraday” and “next day”, according to the risk profile of the entity. Likewise, it limits the positions in other currencies, such as the Swiss Franc, the Japanese Yen, the Pound Sterling, the Euro, the Australian Dollar, the Canadian Dollar, the Brazilian Real, the Mexican Peso and the Chilean Peso, considering the aforementioned aspects.

Daily P&L – Is the main control tool available to the middle office to monitor the treasury of the entity. Additionally, it is critical in defining the maximum losses authorized by the Board of Directors for each entity.

VaR (Value at Risk) – With parametrical and non-parametrical internal management models based on the VaR methodology, which have allowed to complement the market risk management based on the identification and the analysis of the variations of the risk factors (interest rates, exchange rates and price indexes) over the value of the different instruments comprising the portfolios. The methodologies used for measuring the VaR are periodically assessed and subject to back testing to determine their effectiveness. Additionally, the Corporation has tools for conducting stress tests and/or portfolio sensitization under extreme scenario simulation.

CVaR (Conditioned Value at Risk) – It is a trigger for compliance with the VaR limit of the entity, considering that it is a risk measurement that considers the size of the losses exceeding the Var. The CVaR is defined as the expected value of the losses exceeding the VaR.

MAT (Management Action Trigger) – It is the maximum loss the Corporation or the affiliate is willing to assume considering the equity and solvency capacity of the entity. The MAT limits the total losses to the sum of the actual and potential losses (VaR) related to the current portfolio under normal conditions. The MAT is equal to the 30 Days Revenue plus the VaR.

DV01 (Sensibility of 1 base point) – Is the change in the market value of the fixed income portfolio or derivative product of 1 base point in the discount rate.

Cost to close public debt (Cost to close the positions) – Potential cost to close the open positions of the treasury, including the liquidity of the title in the securities market.

Fixed income term limits to mitigate the concentration in references with similar expiration dates.

These limits are monitored daily and reported monthly to the Board of Directors. Likewise, the Corporation uses the standard model for the measuring, control and management of the market risk of the interest rate, exchange rates and price of shares in the Treasury and Bank books in accordance with the requirements made by the Finance Superintendence contained in Chapter XXI of the Basic Accounting and Financial Circular Letter. These exercises are made with a daily frequency for each risk exposure.

Likewise, the Corporation has established counterparty and negotiation quotas per operator for each of the negotiation platforms of the markets in which they operate. The trading limits per operator are assigned to the different hierarchical levels of the Treasury based on the experience the officer has in the market, the trading of this type of products and the management of portfolios.

Finally, as part of monitoring the operations, different aspects of the trades such as the conditions agreed, unconventional or outside of market operations, operations with partners, operations with unusual P&L or with a null effect, etc. are controlled.

Pursuant to the standard model, the market value at risk (VaR) as of December 31, 2021 was \$195,791 with effect of 6.50% and as of December 31, 2020 was \$172,104 with effect of 5.28%, in the solvency ratio of the Corporation. The value of Operational Risk (VeRRo) as of December 31, 2021 was \$182,116 with an effect of 5.99% on the Corporation's solvency ratio.

Below is the VaR of the Corporation as of December 31, 2021 and 2020:

	December 31, 2021			
	Minimum	Average	Maximum	Latest
Interest rate in Pesos	104,136	138,439	160,831	125,599
Interest rate in foreign currency	7,711	8,322	9,105	7,711
Interest rate in UVR	7,522	20,854	46,872	46,872
Exchange rate	713	4,082	10,147	1,771
Stock	11,842	12,551	13,049	12,529
Collective Investment Funds	1,221	2,495	5,412	1,310
Total VaR	136,613	186,743	212,877	195,792

	December 31, 2020			
	Minimum	Average	Maximum	Latest
Interest rate in Pesos	102,867	125,822	142,968	132,044
Interest rate in foreign currency	6,203	7,695	9,521	7,889
Interest rate in UVR	4,198	10,047	16,063	11,916
Exchange rate	285	3,021	6,317	5,262
Stock	10,207	11,473	12,617	12,617
Collective Investment Funds	1,987	2,557	3,133	2,376
Total VaR	136,430	160,615	177,886	172,104

Finally, and as a consequence of the VaR behavior, as of December 31, 2021 and 2020, the Assets Weighed per Market Risk were, on average, at 4.86% and 6.47% respectively, of the Total Assets Weighed per Risk (APR).

4.2. Risk of foreign exchange rate variation

The Corporation operates internationally and is exposed to changes in the exchange rate arising from exposures to different currencies, mainly regarding the United States Dollars and the Euro. The foreign exchange rate risk arises from recognized assets and liabilities and investments in subsidiaries and affiliates abroad and in future commercial transactions.

The Financial Companies in Colombia are authorized by Banco de la Republica to negotiate in currencies and to maintain balances in foreign currencies in offshore accounts. In accordance with External Resolution No. 3/2017 of the Board of Directors of Banco de la Republica (JDBR) and any other rules that modify it, amend it or complement it, the Proprietary Position (PP) of the Exchange Market Intermediaries (IMC) is defined as the difference between all rights and obligations in foreign currency registered in and outside of the balance sheet, realized or contingent, including those that are realizable in Colombian legal currency.

The arithmetic average of three (3) business days of the PP of the IMC may not exceed the equivalent in foreign currency to twenty percent (20%) of the technical equity, indicated in article 5 of External Resolution No. 9/2013 of the JDBR.

For the case of the IMC bound to consolidate financial statements according to the instructions of the SFC and that have investments controlled abroad, the arithmetic average of three (3) business days of the PP of the IMC may not exceed the equivalent in foreign currency to thirty percent (30%) of the technical equity, indicated in article 5 of External Resolution No. 9/2013 of the JDBR.

The arithmetic average of three (3) business days of the PP may be negative, without exceeding the equivalent in foreign currency to five percent (5%) of the technical equity, indicated in article 5 of External Resolution No. 9/2013 of the JDBR.

As for the upfront proprietary position, in accordance with External Resolution No. 9/2013 of the JDBR and any other rules that modify it, amend it or complement it, the PPC of the IMC is defined as the difference between all assets and liabilities in foreign currency.

The arithmetic average of three (3) business days of the PPC of the IMC may not exceed fifty percent (50%) of the technical equity, indicated in article 5 of External Resolution No. 9/2013 of the JDBR, and it may be negative, without exceeding the equivalent in foreign currency to twenty percent (20%) of the technical equity, indicated in article 5 of External Resolution No. 9/2013 of the JDBR.

The maximum limit of the PPC of the IMC that act as counterparties of the National Government in development of the debt management operations referred to in Resolution 1255/2008 of the Ministry of Finance and Public Credit and the rules that amend it or modify it, shall be increased in the amount of coverage contracted with the National Government.

The counterparties of the National Government in these operations may transfer to the IMC the additional upfront proprietary position amount resulting from the value of the coverage, in which case the limit of the upfront proprietary position shall increase to the latter and the limit of the upfront proprietary position of whoever assigns shall be reduced in an equivalent amount.

The National Government shall inform Banco de la Republica (BR) and the SFC the counterparties and amounts of the operations made for purposes of the PPC calculation. The counterparties deciding to transfer the additional amount of spot proprietary position resulting from the hedging value shall inform this situation to the National Government which shall transfer it to the BR and SFC.

Additionally, it must comply with the limits of the gross leverage position, which is defined as the sum of: i) the rights and obligations in term and future agreements in foreign currency, excluding the obligations of those operations that imply both a right and an obligation in foreign currency; ii) the cash operations in foreign currency with greater or equal compliance to one bank day, excluding the obligations of those operations that involve both a right and an obligation in foreign currency; and iii) the exchange exposure associated with the debit contingencies and the credit contingencies acquired in the negotiation of options and derivatives on the exchange rate.

The arithmetic average of three (3) business days of the PBA of the IMC may not exceed five hundred fifty percent (550%) of the technical equity, indicated in article 5 of External Resolution No. 9/2013 of the JDBR

The maximum or minimum amount of the own daily position and the own upfront position in foreign currency must be determined based on the technical equity of the Corporation on the last day of the second preceding calendar month, converted at the exchange rate set by the Finance Superintendence at the end of the immediately preceding month. Substantially all of the foreign currency assets and liabilities of the Corporation are maintained in United States Dollars and in Euros.

Below is a summary of the foreign currency assets and liabilities (in Colombian Pesos) maintained by the Corporation as of December 31, 2021 and 2020.

December 31, 2021				
Account	U.S. Dollars	Euros	Other Currencies	Total
Assets				
Cash and cash equivalents	37,546	801	724	39,071
Active operations in the money market	296,974	-	-	296,974
Investments in debt securities at fair value with changes in OCI	140,314	-	-	140,314
Investments in equity instruments	1,637	-	-	1,637
Trading derivative instruments	4,737,830	37,609	14,286	4,789,725
Other accounts receivable	139,040	-	-	139,040
Total Assets	5,353,341	38,410	15,010	5,406,761
Liabilities				
Deposits from Clients	91,619	-	-	91,619
Trading derivative instruments	4,984,580	37,609	14,253	5,036,442
Commitments of transfer in repo operations	336,820	-	-	336,820
Other liabilities	3,175	71	-	3,246
Total Liabilities	5,416,194	37,680	14,253	5,468,127
Net Active Position (Liability)	(62,853)	730	757	(61,366)

December 31, 2020				
Account	U.S. Dollars	Euros	Other Currencies	Total
Assets				
Cash and cash equivalents	31,312	1,014	622	32,948
Active operations in the money market	257,240	-	-	257,240
Investments in debt securities at fair value with changes in OCI	120,976	-	-	120,976
Investments in equity instruments	1,411	-	-	1,411
Trading derivative instruments	1,887,495	24,276	-	1,911,771
Other accounts receivable	116,680	-	-	116,680
Total Assets	2,415,114	25,290	622	2,441,026
Liabilities				
Deposits from Clients	77,195	-	-	77,195
Trading derivative instruments	2,070,100	24,276	-	2,094,376
Commitments of transfer in repo operations	253,974	-	-	253,974
Other liabilities	15,682	44	-	15,726
Total Liabilities	2,416,951	24,320	-	2,441,271
Net Active Position (Liability)	(1,837)	970	622	(245)

The Management of the Corporation has established policies requiring a management of its foreign exchange risk against its operating currency. The Corporation economically covers its exposure to the exchange rate by using derivative operations.

The Corporation has several investments abroad, whose net assets are exposed to conversion risk of its financial statements, these investments are classified as investments in foreign subsidiaries and affiliates which are valued through the equity interest method, in accordance with the provisions in

External Circular Letter 034/2014, issued by the Finance Superintendence of Colombia. The exposure that arises from the net assets in operations abroad is mainly covered by obligations in foreign currency or derivatives.

4.3. Operating Risk

The Corporation has an Operating Risk Management System (SARO) implemented pursuant to the guidelines set forth in Chapter XXIII of the Basic Accounting and Financial Circular Letter (External Circular 100/1995) issued by the Finance Superintendence of Colombia. This system is managed by the risk area of the entity.

This system includes:

- Manual with Operating Risk Policies, approved by the Board of Directors, establishing the guidelines under which the Corporation's SARO is performed.
- Procedure manuals describing how to comply with the Operating Risk Policies.
- Organizational Structure: the Board of Directors, the Legal Representative, the Risk Management and the Operating Risk Unit participate in the SARO.
- Operating Risk Matrices, which identify and rate the risks and controls, constructs inherent and residual risk matrices per process and periodically update them due to changes in the processes or evidence obtained from the Operating Risk Events record.
- A database comprised by the Operating Risk Events records that occurred since August 2007.
- Accounts to be registered in expenses, where the events that caused losses due to Operating Risk are accounted for.
- Periodical reports submitted to the Corporate Governance, Risk and Compliance Committee and the Board of Directors.
- Annual training of officers.
- Semiannual audit of the effectiveness of the system by the Comptroller and the Tax Auditor.

As of December 31, 2021, there is an operating risk matrix, once 100% of the processes of the Corporation was analyzed. Such matrix has made an updating work, through which new risks and controls have been generated together with the owners of processes, based on changes to policies and procedures, materialization of risk events, attention to SFC requirements and management of third-party risks.

In 2021, the losses for operating risk registered correspond to eleven (11) events of Type A operating risk (3 of them took place in different years) that amount to \$30,239 million pesos. And a recovery amounting to \$1 million pesos.

271 events of Type B (without impact on profit and loss) complete the registration.

According to the classification of the 280 events registered as of December 31, 2021, the largest risk factor was Technology with 111 events (40%), Human Resource with 98 events (35%), External with 38 events (14%), Processes with 28 events (10%) and infrastructure, with 5 (2%).

4.4. Interest Rate Risk

The Corporation has exposures to the effects of fluctuations in the interest rate market affecting its financial position and future cash flows. The interest margins can increase as a result of changes in the interest rates but they may also decrease and create losses in the event that unexpected movements arise in those rates.

The table below summarizes the exposure of the Corporation to changes in interest rates. The table presents the cumulative amounts of the assets and liabilities of the entity at their carrying amount and their relevant rate. A sensibility exercise is made to the margin by adding and subtracting 50 basis points, with the following result as of December 31, 2021 and 2020, respectively:

December 31, 2021					
ACCOUNT DETAIL	AVERAGE	REVENUE OF INTEREST EXPENSE	AVERAGE INTEREST RATE	VARIATION OF 50 BP IN THE INTEREST RATE (4)	
				Favorable	Unfavorable
Financial assets earning interests					
Active operations in the money market in Colombian Pesos	657,237	36,735	11%	1,643	(1,643)
Investments in debt securities at amortized cost in Colombian Pesos	70,916	802	2%	177	(177)
Total Financial Assets earning Interests	728,153	37,537	10%	1,820	(1,820)
Financial Liabilities with Financial Cost					
Passive operations in the money market in Colombian Pesos	4,113,864	101,773	5%	10,285	(10,285)
Clients deposits in savings accounts and CDT in Colombian Pesos	692,503	12,345	4%	1,731	(1,731)
Clients Deposits in Fixed-term Deposit certificates CDT in Colombian Pesos	4,720,429	220,410	9%	11,801	(11,801)
Financial obligations in Colombian pesos	755,676	53	0%	1,889	(1,889)
Total Financial Liabilities with Financial Cost	10,282,472	334,581	7%	25,706	(25,706)
Total Net Financial Assets subject to interest rate risk	(9,554,319)	(297,045)	6%	(23,886)	23,886
December 31, 2020					
ACCOUNT DETAIL	AVERAGE	REVENUE OF INTEREST EXPENSE	AVERAGE INTEREST RATE	VARIATION OF 50 BP IN THE INTEREST RATE (4)	
				Favorable	Unfavorable
Financial assets earning interests					
Active operations in the money market in Colombian Pesos	58,914	55,722	189%	147	(147)
Investments in debt securities at amortized cost in Colombian Pesos	75,466	105	0%	189	(189)

Total Financial Assets earning Interests	134,380	55,827	83%	336	(336)
Financial Liabilities with Financial Cost					
Passive operations in the money market in Colombian Pesos	2,394,784	99,366	8%	5,987	(5,987)
Clients deposits in savings accounts and CDT in Colombian Pesos	637,022	23,360	7%	1,593	(1,593)
Clients Deposits in Fixed-term Deposit certificates CDT in Colombian Pesos	4,192,860	221,974	11%	10,482	(10,482)
Financial obligations in Colombian pesos	502,771	184	0%	1,257	(1,257)
Total Financial Liabilities with Financial Cost	7,727,437	344,885	9%	19,319	(19,319)
Total Net Financial Assets subject to interest rate risk	(7,593,057)	(289,057)	8%	(18,983)	18,983

4.5. Liquidity Risk

The liquidity risk is related to the impossibility of complying with the obligations acquired with the clients and counterparties of the financial market at any time, currency and place, for which the Corporation reviews the funds available on a daily basis.

The Corporation manages the liquidity risk according to the standard model set forth in Chapter VI of the Basic Accounting and Financial Circular Letter issued by the Finance Superintendence of Colombia and pursuant to the regulations regarding the management of the liquidity fund through the basic principles of the Liquidity Risk Management System (SARL), which provides the minimum prudential parameters to be monitored by the entities during their operations for an efficient management of the liquidity risk to which they are exposed.

In order to measure the liquidity risk, the Corporation calculates Liquidity Risk Indicators (IRL) for 7- and 30-day terms on a weekly basis, as provided in the standard model of the Finance Superintendence of Colombia and pursuant to internal models.

As part of the liquidity risk analysis, the Corporation measures the volatility of deposits, the indebtedness levels, the structure of the assets and liabilities, the degree of liquidity of the assets, the availability of funding lines, and the general effectiveness of the assets and liabilities management. This, with the purpose of maintaining sufficient liquidity (including liquid assets, securities and collateral) to face possible own or systemic stress scenarios.

The quantification of the funds obtained in the money market is an integral part of the liquidity measurement by the Corporation. Supported in technical studies, we determine the main and secondary sources of liquidity to diversify the fund providers with the purpose of ensuring the stability and sufficiency of the resources and of minimizing the concentrations of the sources. After establishing the sources of the resources, these are allocated to the different business depending on the budget, the nature and the depth of the markets.

The availability of resources is monitored daily not only to comply with the reserve requirements, if applicable, but to foresee and/or anticipate possible changes in the liquidity risk profile of the entity and to be able to make strategic decisions, as the case may be. In this sense, the Corporation has liquidity warning indicators that allow establishing and determining its current scenario, as well as the strategies to follow in each case. Said indicators include, among others, the IRL, the deposit concentration levels, the use of liquidity quotas of Banco de la Republica, among others.

Through the ALCO Committee, the Senior Management knows the liquidity situation of the entity and makes the decisions necessary considering the high-quality liquid assets to be maintained, the tolerance in the management of liquidity or the minimum liquidity, the strategies for granting loans and the collection of resources, the policies on the placement of liquidity surplus, the changes in the characteristics of the current products as well as new products, the diversification of the sources of funds to prevent the concentrations of collections in few investors or savers, the coverage strategies, the results of the Corporation and the changes in the balance structure.

Below is an analysis of the contractual expirations of the financial assets and liabilities as of December 31, 2021 and 2020:

Description	As of December 31, 2021					
	Highly liquid (1)	Less than 7 days	8 to 15 days	16 to 30 days	Total less than 30 days	31 to 90 days
Assets						
Liquid Assets						
Cash and cash equivalents	1,593,931	-	-	-	-	-
Investments negotiable in debt securities	227,433	99	32	130	262	3,115
Investments negotiable in equity securities	69,250	-	-	-	-	-
Investments to hold to maturity	-	14,194	-	-	14,194	-
Subtotal	1,890,615	14,294	32	130	14,456	3,115
Active contractual maturities						
Ordinary interbank funds sold	-	10,098	137	206	10,442	810
Investment Transfer Rights	-	2,509,825	116,891	91,475	2,718,192	363,144
Derivative financial instruments	-	1,834	12,159	26,755	40,748	35,665
Income flow with Contractual Maturities of the assets and out of balance positions – FIVC	-	2,521,758	129,188	118,436	2,769,381	399,619
Passive contractual maturities						
Operations in the money market	-	385,306	-	-	385,306	-
Fixed-term deposit certificates- CDT	-	6,224	85,328	87,091	178,644	332,730
Derivative financial instruments	-	2,611,986	117,633	75,268	2,804,887	338,771
Financial obligations	-	3,998	10,864	43,446	58,309	50,836
Flow of Expenses with Contractual Maturities of the liabilities and out of balance positions – FEVC	-	3,007,515	213,826	205,805	3,427,145	722,337
Net Flow (estimate) of Non-Contractual Maturities – FNVNC	-	91,122	104,140	195,262	390,524	237,609
Net Flow	-	(576,879)	(188,777)	(282,631)	(1,048,288)	(560,327)
Estimated Net liquidity requirement RLN (2)	-	774,659	188,745	282,501	1,033,831	557,213
Partial IRL	-	244%	196%	152%	183%	119%
Accrued IRL	-	1,115,955	927,210	644,710	856,783	299,570

Description	As of December 31, 2020					
	Highly liquid (1)	Less than 7 days	8 to 15 days	16 to 30 days	Total less than 30 days	31 to 90 days
Assets						
Liquid Assets						
Cash and cash equivalents	1,218,561	-	-	-	-	-

Description	As of December 31, 2020					
	Highly liquid (1)	Less than 7 days	8 to 15 days	16 to 30 days	Total less than 30 days	31 to 90 days
Investments negotiable in debt securities	156,892	135	14	54	203	2,428
Investments negotiable in equity securities	98,465	-	-	-	-	-
Investments to hold to maturity	1,095	1,780	-	1,180	2,960	69,671
Subtotal	1,475,013	1,915	14	1,234	3,163	72,099
Active contractual maturities						
Ordinary interbank funds sold	-	141	201	302	644	1,187
Contractual maturities of all investment to hold to maturity – TES.	-	-	-	1,180	1,180	-
Investment Transfer Rights	-	1,497,401	-	75,539	1,572,940	579,501
Derivative financial instruments	-	8,770	3,631	17,714	30,115	29,530
Income flow with Contractual Maturities of the assets and out of balance positions – FIVC	-	1,506,312	3,832	94,735	1,604,879	610,218
Passive contractual maturities						
Operations in the money market	-	102,215	-	-	102,215	-
Fixed-term deposit certificates- CDT	-	70,621	88,167	82,094	240,882	429,635
Derivative financial instruments	-	1,477,543	417	69,564	1,547,525	611,059
Financial obligations	-	9,990	2,956	16,864	29,810	27,751
Flow of Expenses with Contractual Maturities of the liabilities and out of balance positions – FEVC	-	1,660,369	91,540	168,522	1,920,432	1,068,445
Net Flow (estimate) of Non-Contractual Maturities – FNVNC	-	73,567	84,077	157,644	315,288	194,852
Net Flow	-	(227,624)	(171,785)	(231,431)	(630,841)	(653,079)
Estimated Net liquidity requirement RLN (2)	-	433,484	171,771	230,197	627,678	580,980
Partial IRL	0%	340%	244%	367%	235%	122%
Accrued IRL	-	1,041,529	869,758	639,561	847,335	266,355

DESCRIPTION	As of December 31, 2020					
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Greater than 5 years	Total
Financial liabilities at fair value						
Derivative financial instruments	27,115	32,932	1,132	6,087	201	67,467
Subtotal	27,115	32,932	1,132	6,087	201	67,467
At amortized cost						
Clients deposits	670,856	1,425,773	902,105	1,108,564	587,657	4,694,955
Subtotal	670,856	1,425,773	902,105	1,108,564	587,657	4,694,955
Total financial liabilities	697,971	1,458,705	903,237	1,114,651	587,858	4,762,422

DESCRIPTION	As of December 31, 2021					
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Greater than 5 years	Total
Financial liabilities at fair value						
Derivative financial instruments	73,939	23,368	4,987	10,191	-	112,484

Subtotal	79,939	23,368	4,987	10,191	-	112,484
At amortized cost						
Clients deposits	510,444	1,580,777	1,065,079	1,014,717	1,661,593	5,832,609
Subtotal	510,444	1,580,777	1,065,079	1,014,717	1,661,593	5,832,609
Total financial liabilities	584,383	1,604,145	1,070,066	1,024,908	1,661,593	5,945,093

To control the liquidity risk between the assets and liabilities, the Corporation conducts statistical analysis that allows quantifying the stability of the collections with and without contractual maturity with a predetermined reliability.

In addition, the statistical behavior of the 7-day and 30-day IRL during 2021 and 2020 is presented:

	December 31, 2021			
	Minimum	Average	Maximum	Last
7-day IRL	218%	251%	397%	244%
30-day IRL	157%	183%	224%	183%

	December 31, 2020			
	Minimum	Average	Maximum	Last
7-day IRL	307%	386%	605%	340%
30-day IRL	190%	241%	265%	235%

To comply with the requirements by Banco de la Republica and the Finance Superintendence, the Corporation must maintain cash and restricted banks as part of the required legal reserve pursuant to the following percentages over the daily average of the deposits in the following accounts:

Item	Required
Deposits and liabilities on demand before 30 days	8.0%
Deposits of official establishments	8.0%
Deposits and liabilities after 30 days	8.0%
Ordinary savings deposits	8.0%
Term savings deposits	8.0%
Negotiated investments repurchase commitments	8.0%
Other accounts different to deposits	8.0%
Term deposit certificates:	
Less than 540 days	3.5%
Equal or greater than 540 days	0.0%

On July 31, 2020, the Board of Directors of Banco de la República issued Resolution number 20/2020, in which it reduced the reserve requirement percentages as of the biweekly period of November 4 and 17, 2020. The Corporation has appropriately complied with this requirement.

4.6. Price risk

Within the equity instruments listed on the stock exchange (Bladex S.A., Alimentos Derivados de la Caña S.A., Banco Comercial AV Villas S.A., Gas Natural S.A. ESP, Bolsa de Valores de Colombia S.A.,

Empresa de Energía de Bogotá S.A. E.S.P., Mineros S.A.), the Corporation is exposed price variations in said investments; as of December 31, 2021 and 2020, if the prices of these investments were 1% above or below, the minor or major impact on the Corporation's Other Comprehensive Income (OCI) would be \$12,997 and \$13,822, respectively.

As of December 31, 2021					
Name of investment	Number of shares	Stock price (*)	Investment value	Effect on OCI +/- 1%	
				Favorable	Unfavorable
Bladex S.A.	2,070	66,087.26	137	1	(1)
Alimentos derivados de la Caña S.A.	52,000	3,542.74	184	2	(2)
Banco Comercial AV Villas S.A. (Common Shares)	45,677	4,500.10	206	2	(2)
Banco Comercial AV Villas S.A. (Preferred Shares)	20,763	3,741.31	78	1	(1)
Bolsa de Valores de Colombia S.A.	2,442,597	9,875.00	24,121	241	(241)
Empresa de Energía de Bogotá S.A. E.S.P.	475,298,648	2,500.00	1,188,247	11,882	(11,882)
Mineros S.A.	22,350,263	3,635.00	86,696	867	(867)
Total			1,299,669	12,997	(12,997)

As of December 31, 2020					
Name of investment	Number of shares	Stock price (*)	Investment value	Effect on OCI +/- 1%	
				Favorable	Unfavorable
Bladex S.A.	2,070	54,336.48	113	(1)	1
Alimentos derivados de la Caña S.A.	52,000	3,707.90	193	(2)	2
Banco Comercial AV Villas S.A. (Common Shares)	45,677	5,356.15	245	(2)	2
Banco Comercial AV Villas S.A. (Preferred Shares)	20,763	4,521.96	94	(1)	1
Bolsa de Valores de Colombia S.A.	2,442,597	11,880.00	29,018	(290)	290
Empresa de Energía de Bogotá S.A. E.S.P.	475,298,648	2,650.00	1,259,541	(12,595)	12,595
Mineros S.A.	22,350,263	4,167.00	93,134	(931)	931
Total			1,382,338	(13,822)	13,822

* Stock prices are expressed in Colombian pesos.

4.7. Risk of money laundering and terrorist financing

The risk of money laundering and terrorist financing is understood as the possibility of economic loss or reputation damage that could be suffered by the Entity if it were used directly or through its operations as a money laundering instrument, channeling of resources for terrorist activities and/or financing of weapons of mass destruction, or when assets from such activities are intended to be concealed through the Entity.

In view of the above, and in recognition of its commitment to fight acts of illegal armed actors, the Corporation, in compliance with the provisions of the Finance Superintendence of Colombia, adopted the necessary mechanisms to avoid the occurrence of events that may adversely affect its results and its business. For this reason, the Corporation has a Money Laundering, Terrorism Financing and

Financing of Proliferation of Weapons of Mass Destruction Risk Management System, hereinafter SARLAFT/FPWMD for its acronym in Spanish, which is composed of stages, elements, policies, procedures and methodologies for the identification, evaluation, control and monitoring of these risks, as well as the knowledge of clients, their operations with the Corporation and the market segments served. The system, which is contained in the SARLAFT/FPWMD Manual approved by the Board of Directors, also considers the monitoring of transactions, staff training and collaboration with authorities, and is managed by the office of the Compliance Officer, who has the responsibility of evaluating the prevention and control mechanisms and establish their effectiveness and compliance by all the Corporation's officers.

Within the framework of the regulation of the Finance Superintendence of Colombia and especially following the instructions given in Part I Title IV Chapter IV of the Basic Legal Circular Letter, the Corporation presents satisfactory results in the activities performed in relation to the SARLAFT/FPWMD, which are in accordance with current regulations, policies and methodologies adopted by the Board of Directors and the recommendations of the international standards related to the subject.

During 2021, some of the System components were consolidated to strengthen the prevention and control mechanisms. Risk and control valuation methodologies were also amended.

In the same year, the Implementation Plan for the SARLAFT/ FPWMD changes introduced by the Finance Superintendence of Colombia through External Circular 027 issued on September 2, 2020 was executed, in order to improve the risk management system through a full convergence to the best international standards and practices, promotion of innovation and financial inclusion through the development and adoption of new technologies. In effect, changes were made mainly in aspects related to the risk of financing the proliferation of weapons of mass destruction, risk management methodologies, know-your-client and risk profiling of clients, suppliers and employees, monitoring of clients categorized as politically exposed persons PEP, enhanced measures for monitoring clients and resources in countries categorized as higher risk, and the incorporation of new technological applications in the System.

In general, during 2021, the SARLAFT/FPWMD activities were conducted taking into account the methodologies adopted by the Corporation, which made it possible to continue with the mitigation of risks through the application of controls designed for each of the risk factors defined in Part I Title IV Chapter IV of the Basic Legal Circular Letter of the Finance Superintendence of Colombia (Client, Product, Channel and Jurisdiction). In accordance with the assessments made during 2021 based on SARLAFT, the entity maintains in average "low" exposure levels.

The Corporation has technological tools that have enabled it to implement its client knowledge policy and the monitoring of warning signs for the purposes of identifying unusual operations and reporting suspicious transactions to the Financial Information and Analysis Unit (UIAF) in the terms established by law. The system also contains risk factor segmentation models "client", "product", "channel" and "jurisdiction" that allow the entity to identify risks and detect unusual operations based on the profile of the segments.

In order to promote and consolidate a culture of prevention, the Corporation has an institutional training program for employees, which transmits knowledge and relevant information and provides

guidelines on the regulatory framework and mechanisms of control over money laundering, terrorist financing and financing of proliferation of weapons of mass destruction.

As regards the duty of collaboration with the authorities, and in compliance with legal provisions, the Corporation timely submitted its institutional reports to the Financial Information and Analysis Unit (UIAF) and responded to the requests for information submitted by the authorities.

The Compliance Officer and his alternate are in charge of monitoring controls to prevent these risks. They also surveil the operation of the Internal Audit and the Statutory Audit System, as well as Management and the Board of Directors, through the reports periodically presented by the Compliance Officer and the Statutory Auditor. According to the results of the different stages of SARLAFT, the reports issued by the Corporation's control bodies and the opinion of the Board of Directors on the reports presented by the Compliance Officer on a quarterly basis, the entity is able to appropriately manage the money laundering, terrorism financing and proliferation of weapons of mass destruction risk. During 2021, the reports presented by the Corficolombiana's Corporate Comptroller and Statutory Auditor on SARLAFT/FPWMD were taken into account in order to implement the recommendations aimed at optimizing the System; some improvement opportunities submitted were adopted during 2021.

4.8. Financial consumer service system (SAC)

For 2021, the Corporation complied with the policies established in the Financial Consumer Service [SAC for its acronym in Spanish] Manual, applying the procedures for the implementation of the elements and stages of the system in accordance with current regulations. Likewise, it had the adequate infrastructure for the correct administration and operation of the SAC, offering an effective attention to the petitions filed by the financial consumers.

During 2021, 2,385 requests, 766 requests for general information and 34 rights to petition were filed by the financial consumers. We also received 10 complaints directly filed before the Corporation, 2 before the Financial Ombudsman and 16 that were transferred to the Corporation by the Finance Superintendence of Colombia, which were satisfactorily attended within the terms established.

As stated in the reports issued by the Corporation's Comptroller and Statutory Auditor, the design and application of policies and procedures are adequate within the framework of the SAC. The opportunities for improvement identified in those reports were duly implemented by the different areas of the Corporation.

As for training, in June 2021, the training module dedicated to "SAC Generalities, assistance to financial consumers in disability situations and Personal Data Processing" was published, which was sent to all officers. By the end of the year, 400 collaborators were trained.

Corficolombiana S.A. deems relevant that the stakeholders are adequately informed to make their financial decisions. In that sense, the entity developed a financial education program aimed at consumers, which was made through forums, seminars, conferences, personal finance workshops and had the participation of guest speakers, both from the Corporation, specialized guests and also activities scheduled by the profession.

Senior management of the Corporation acknowledges the importance of the training provided to the employees. In that sense, the entity's officers periodically receive bulletins with educational content that included matters in terms of right to your personal data protection, credit history and security measures in bank transactions.

Senior management of the Corporation believes that financial education is fundamental for understanding the opportunities arising from the use of financial services, as well as the associated risks; therefore, it is essential to understand several concepts in order to make informed and responsible financial decisions. As a strategy for developing and strengthening new knowledge, the Corporation's officers receive periodic newsletters with educational content that included topics such as the right to the protection of personal data, good practices in personal finance, credit history, and security measures in banking transactions.

As is well known, government institutions issued a series of decisions to contain the spread of the Covid-19 epidemic. Not oblivious to the situation, the Trust Company coordinated the necessary actions to execute the interpersonal distancing in compliance with the aforementioned provisions, without altering the operation of the SAC.

In view of the situation, activities were scheduled to inform financial consumers in a precise and detailed manner, the action plans adopted by the entity. During the year, no complaints were received due to issues associated with this situation, and customers continued to receive services, as well as attention to their requests and complaints.

4.9. Legal Risk

The Legal Department supports the legal risk management duties in the operations made by the Corporation. Particularly, it defines and sets forth the necessary proceedings to adequately control the legal risk of the operations by ensuring that these are in compliance with the legal standards, they are documented and it analyzes and writes the agreements supporting the operations made by the different business units. Regarding legal situations related to the Corporation, it must be indicated that, as required, the relevant contingencies are duly provided.

The Corporation, according to the instructions given in External Circular Letter 066/2001 of the Finance Superintendence of Colombia and IAS 37 Provisions, assets and contingent liabilities, valued the claims of the proceedings against it based on analyses and concepts of the lawyers in charge.

Regarding copyrights, the Corporation only uses software or licenses legally acquired and it does not allow programs different to those officially approved to be used in its equipment. The proceedings against the Corporation are detailed in note 20 to the financial statements.

4.10. Anti-Fraud and Anti-Corruption Risk

In compliance with the guidelines of the shareholders and the Board of Directors, Corficolombiana has an Antifraud and Anti-Corruption Policy which main objectives are to ensure the performance of coordinated actions to prevent fraudulent events within the Corporation in the financial reports, to promote transparency in the actions undertaken by Management, to discourage misconduct and to support the commitment of its stakeholders against corruption and bribery. The policy contains guidelines mainly in relation to gifts and gratifications, third parties and intermediaries, contracts, donations, sponsorships, mergers and acquisitions, as well as internal control measures on the financial reporting process. It also includes guidelines on high-risk accounts, system evaluation by the

internal audit department and compliance with the external regulatory framework, in particular the United States' Foreign Corrupt Practices Act (FCPA).

In development of the Antifraud and Anticorruption Policy, the transactions of the Corporation were monitored during 2021 and training activities were performed to strengthen their knowledge and skills as a mechanism for preventing the risk of fraud in the financial reports, corruption and bribery. In fact, 405 employees (100%) of Corficolombiana and 600 collaborators (100%) of the subsidiaries Casa de Bolsa and Fiduciaria Corficolombiana were trained in the topics of the Anticorruption Policy; the Policy was also disseminated to current suppliers of the Corporation and its financial subsidiaries.

4.11. Reputational Risk

The Corporation has mechanisms intended for the reputational risks that may arise in development of its different lines of business to be adequately identified, evaluated, controlled, monitored and reported. Control activities before events such as failure to ethics, compliance with standards and internal policies and those others that can negatively affect the reputation of the entity are contained in the Code of Ethics and Conduct, Anti-Fraud and Anti-Corruption Policy and the Money Laundering and Terrorism Financing Risk Management System.

Likewise, in order to respond to the occurrence of situations exposing the good name of the Corporation, or to mitigate the eventual impact of unexpected reputational events, the entity has within its organizational structure, the Communications and Marketing and Relationship with Investor areas, which permanently evaluate information to understand the market and environmental trends, as well as the exposure of the entity's name in the means of communication and social media and thus monitor the reputational impact.

Finally, it is worth mentioning that the entity has a communications protocol so a transparent and responsible handling of the communication exists and thus prevent any type of confusion in the stock market or the general public.

4.12. Corporate Governance

Corporación Financiera Colombiana S.A. has incorporated principles that govern the entity's good corporate governance, as well as the protection of the rights of shareholders and investors.

Board of Directors and Senior Management – The Board of Directors and Senior Management determine the entity's strategies, policies and risk profiles. The Board of Directors is permanently informed of the processes and business carried out by the Corporation.

The Board approves the limits of loans granted and exposure to market risk, liquidity and credit risk management for the Corporation's different businesses. The Governance, Risk and Compliance Vice-President, through the Risk Management Office, is in charge of the identification, administration, measurement, control and monitoring of the risks inherent in treasury and other business operations. This department is in charge of generating risk control mechanisms and informing the Senior Management and Board of Directors of the Corporation's exposure to risk.

Policies and division of functions – Risk management policies are approved by the Board of Directors and are in line with the Corporation's different lines of business. These policies have specific elements

for each type of risk (credit, market, liquidity and operational) and are rigorously monitored in compliance by the Risk Management.

Reports to the Board of Directors – The Board of Directors is permanently informed of the risk exposures of the different businesses carried out by the Corporation.

The Board of Directors is presented with a report containing a description of the operations performed by the money desk, the results of the business, the levels of risk and compliance with the limits established, if applicable on a monthly basis. Transactions with affiliates are submitted to the Board of Directors for consideration.

The limits of maximum portfolio positions, maximum losses and value at risk are controlled by the Risk Management Office and reported daily to the Corporation's Senior Management.

Technological Infrastructure – The Corporation has appropriate technological infrastructure that allows it to efficiently support the transactional requirements of its daily operations.

Methodology for the measurement of risk – Corporación Financiera de Colombia is classified as a financial institution and for its business role in the different fronts where it operates (money desk products, investment banking, equity investments, etc.) and as such it is exposed to a variety of risks brought about by the evolution of the environment in all its spheres.

Based on the above, it is clear that risk management has become an essential factor for achieving one of the main purposes of Corficolombiana, which is obtaining a satisfactory return for its shareholders, and therefore is in the definition of each and every one of the institutional strategies and decision-making processes for all the Corporation's businesses and activities.

The Corporation defined that the risk management processes must comply with the following stages:

Identification of risk – The risks associated with each of the products are determined by seeking to identify undue concentrations of risk and to implement new technologies to manage them.

Measurement of risks – The processes for measuring and managing the different risks are determined. Monitoring systems must operate accurately and cover all the defined aspects, so as to facilitate management. Risk measurement involves the availability of trained human resources and technical tools to facilitate the quantification of risks inherent to each business.

Allocation of limits - Limits are determined for each of the risks separately (market, credit and/or counterparty, operational and liquidity), even though they are connected to each other. Management evaluates and defines limits based on the willingness to take risks and the Entity's ability to absorb losses.

Measurement and control of limits – The value of positions against limits should be permanently reviewed and timely reports sent to the Senior Management as to any excesses in order to adopt corrective action. Evaluations and measurements are carried out with different frequencies according to the needs of each line of business.

Drafting of reports – Reports must be presented periodically according to the requirements of the Board of Directors and the different levels of risk. They should contain information regarding the current risk exposure against established limits considered as essential elements for decision-making processes.

Existing methodologies identify and measure the different types of risk to which the Corporation is exposed in its activities and this is how the methods that were explained and explained in detail in these notes to the financial statements operate.

Organizational Structure – Through its Board of Directors, the Corporation has defined an organizational structure, which must ensure appropriate risk management processes.

This is how the Governance, Risk and Compliance Vice-President is in charge of building a strong risk culture within the organization, seeking to always obtain an integrated risk vision that also covers the financial subsidiaries of Corficolombiana. This Vice-President is in charge of the Risk Management Office with the purpose of promoting, leading and controlling the execution of approved risk policies by complying with the risk management strategy, using the previously defined risk management process.

In the Corporation's structure, the negotiation, risk control and operations accounting departments are all independent. Each of these tasks is assigned to different functional departments, which in turn report to the Corporation's different departments as follows:

Responsibility	Department	Reports to:
Negotiation	Vice-President of Treasury	CEO
	Vice-President of Investment Banking	CEO
	Vice-President of Investments	CEO
Control	Risk Management Office	Governance, Risk and Compliance Vice-President
Accounting	Operations Management Office	Corporate Support Service Management
	Accounting and Tax Management Office	Executive Vice-President

(5) Estimate of Fair Value

The fair value of financial assets and liabilities that are traded in active markets (such as financial assets in debt and equity securities and derivatives actively traded on stock exchanges or interbank markets) are based on market prices at the close of trading at the year-end date. If a significant variation in fair value occurs after the close of trading until midnight on the year-end date, valuation techniques are used to determine fair value.

An active market is a market in which transactions for assets or liabilities are carried out with sufficient frequency and volume in order to provide price information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by valuation techniques. The Corporation uses a variety of methods and assumes that they are based on existing market conditions as of the end of each year. Valuation techniques used for non-standardized financial instruments such as options, currency swaps and over-the-counter derivatives include the use of similar recent transactions on equal terms, references to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants who make the most use of market data and rely as little as possible on entity-specific data.

The Corporation may use internally developed models for instruments that do not have active markets. Such models are generally based on generally standardized valuation methods and techniques in the financial sector. Valuation models are mainly used to value financial instruments of unlisted equity, debt securities and other debt instruments for which the markets were or have been inactive during the financial period. Some inputs from these models may not be observable in the market and therefore are estimated on the basis of assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and the valuation techniques used may not fully reflect all factors relevant to the Corporation's positions. Therefore, the valuations are adjusted, if necessary, to allow additional factors, including model risks, liquidity risks and counterparty risks.

The fair value of the investment property assets has been determined through appraisals made by independent experts with sufficient experience and knowledge of the real estate market or the asset being valued. These valuations are generally made by references to market data or based on replacement cost when there is insufficient market data. This measurement is classified as level 3.

The fair value hierarchy has the following levels:

- Tier 1 entries are quoted (unadjusted) prices in active markets for assets or liabilities identical to those that the entity can access at the measurement date.
- Tier 2 entries are entries other than quoted prices included in Tier 1 that are observable for the asset or liability, either directly or indirectly.
- Tier 3 entries are unobservable inputs for the asset or liability.

Tiers in the fair value hierarchy within which the measurement of fair value is classified as a whole are determined based on the entry of the lowest tier that is significant for the measurement of fair value as a whole. For this purpose, the importance of an entry is evaluated in relation to the measurement of the fair value as a whole. If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, such measurement is a Tier 3 measurement. The assessment of the importance of a particular input to the measurement of fair value in its entirety requires judgment, taking specific asset or liability factors into consideration.

The determination of what "observable" is requires significant judgment. The Corporation considers market data that are already available, that are regularly distributed or updated, that are reliable and

verifiable, that do not have proprietary data, and which are provided by independent sources actively involved in the market in question as observable data.

In Colombia there are no markets quoting prices of Collective Investment Funds.

The value of the contributions in a collective investment fund is measured through units that represent shares of the equity value of the respective fund. The value of the unit, which represents the yields that have been obtained, is determined by the total amount of resources contributed more or less the returns of the investments that make up the portfolio. These yields are given by the valuation of the assets invested by the fund and therefore the hierarchy tier is determined by the tiers of these assets.

The Corporation has investments in collective investment plans which investment portfolios are composed only of fixed-income securities that are valued by means of the prices published by Infovalmer. Therefore, since these assets are Tier 1 or Tier 2, the Corporation has classified its investments in collective investment funds as Tier 2.

Investments classified in Tier 3 have significant unobservable inputs. Tier 3 instruments mainly include investments in equity instruments, which are not quoted on the stock exchange. The Corporation has equity investments in various entities with a share of less than 20% of the assets of each entity, such as Cámara de Riesgo Central de Contraparte y Fiduciaria de Occidente. In general, all these companies do not trade their shares in a public securities market and therefore, the determination of their fair value as of December 31, 2021 has been made with the help of Precia S.A., the following is a summary of the different techniques used:

Approach	Application Technique	When is it used
Initial Recognition		Precia was provided with information on an issuance of shares of the company in the first semester of 2018.
Net Adjusted Value of the Assets		The company has assets and liabilities with a realizable market value for any market participant. Therefore, the net adjusted value of its assets constitutes an indication of fair value.
Revenues	Present value adjusted by discount rate	Under the conservative growth assumptions and with a basic level of detail to estimate the projection of flows of dividends. There is sufficient information to use this method and reflect the possibility of the assets generating revenues in the future.

Equity instruments measured at their present adjusted value per discount rate

Fiduciaria de Occidente S.A.

Amortization of Valuation Approach

Based on the financial information provided by the Company's management and the requirements established in the different techniques for Fair Value measurement, the pertinent analysis was performed to determine the techniques that complied with the established guidelines.

The approach that best establishes the Fair Value is the income approach. The former was selected because the trust company has a positive and sustained dividend generation over time, which allows the measurement of Fair Value due to its capacity to generate cash flows for the shareholder in the future.

Regarding the technique used (dividend flow discount), although the fundamental principles of valuation can be applied to a company in the financial sector, the difficulties in defining and measuring: (i) debt (as an operational or financing item), (ii) working capital (as operational or non-operational accounts) and (iii) the regulation affecting the ordinary course of business makes it difficult to project free cash flow and estimate the WACC. On the other hand, the direct calculation of the dividend flow and its corresponding rate do not allow any discussion on operational or non-operational concepts of the company and reflect the flow received by the shareholders.

Results of fair value at the measurement date in accordance with the approach selected.

Equity's fair value	\$766,000
Number of outstanding shares	19,216,064

Price of valuation per share (cop)	\$39,862.48
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Used Range:

Variables	Fiduoccidente
Revenues (% growth of 5 years)	7.2% - 7.4%
Growth in residual values after 5 years	3.0%
Discount interest rate	10.3%

Awareness results:

The awareness of the result published which variables were defined by the Customer (cop) is detailed below:

Present value adjusted per discount rate				
Variables	Price per share published	Variation	Favorable impact	Unfavorable impact
Revenues	\$ 39,862.48	+/- 1%	\$ 41,527.76	\$ 38,301.29
Growth in residual values after 5 years	\$ 39,862.48	+/- 10% of the gradient	\$ 40,330.84	\$ 39,446.16
Discount interest rates	\$ 39,862.48	+/- 50pb	\$ 40,903.28	\$ 38,925.77

Equity instruments measured at their present value adjusted by the discount rate

Cámara de Riesgo Central de Contraparte de Colombia S.A.

Based on the Fair Value estimation methodology and "taking into account the estimates made by the Company's Management, the macroeconomic situation, the conditions of the industry where the business is developed, the growth strategy and any relevant event resulting from the analysis of the information provided, projections of the financial statements are developed, preferring in any case objective references as opposed to subjective references."

Results of the fair value at the measurement date in accordance with the approach selected

Equity's fair value	\$150,000
Number of outstanding shares	51,270,006,352

Price of valuation per share (cop)	\$ 2.95
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Awareness results:

The awareness of the result published which variables were defined by the Customer (cop) is detailed below:

Present value adjusted per discount rate				
Methods and Variables	Price per share published	Variation	Favorable impact	Unfavorable impact
Revenues	\$2.95	+/- 1%	\$3.61	\$ 2.38
Discount interest rates	\$2.95	+/- 50pb	\$3.20	\$ 2.69

The valuations of those equity instruments that are not listed on the stock market and for which valuation techniques were used are considered in tiers II and III of the hierarchy of the measurement of the fair value, depending on the importance of market parameters taken in said valuations.

Measurements of fair value on a recurring basis

Measurements of fair value on recurring basis are those that IFRS require or permit in the statement of financial position at the end of each period.

The following table analyzes, within the fair value hierarchy, the assets and liabilities (by class) of the Corporation measured at fair value at December 31, 2021 and 2020 on a recurring basis.

December 31, 2021				
	TIER 1	TIER 2	TIER 3 (1)	TOTAL
Assets				
Assets at fair value with adjustment in profit or loss				
Derivative financial instruments				
Forwards	-	77,159	-	77,159
Swaps	-	8,896	-	8,896
Cash operations	-	32	-	32
Hedging derivatives	-	906	-	906
Other derivatives	-	6,184	-	6,184
Subtotal	-	93,177	-	93,177

Debt Instruments				
With changes in profit and loss	1,561,375	368,467	-	1,929,842
With changes in Other Comprehensive Income	1,665,329	669,936	-	2,335,265
Subtotal	3,226,704	1,038,403	-	4,265,107
Equity Instruments				
With changes in profit and loss	-	114,736	-	114,736
With changes in Other Comprehensive Income	1,299,064	604	36,203	1,335,871
Subtotal	1,299,064	115,340	36,203	1,450,607
Total assets measured at fair value on a recurring basis	4,525,768	1,246,920	36,203	5,808,891
Liabilities				
Liabilities at fair value with adjustment in profit and loss				
Derivative financial instruments				
Forwards	-	93,378	-	93,378
Swaps	-	4,544	-	4,544
Cash operations	-	37	-	37
Trading operations	-	14,562	-	14,562
Total liabilities measured at fair value on a recurring basis	-	112,521	-	112,521
December 31, 2020				
	TIER 1	TIER 2	TIER 3 (1)	TOTAL
Assets				
Assets at fair value with adjustment in profit or loss				
Derivative financial instruments				
Forwards	-	62,810	-	62,810
Swaps	-	8,331	-	8,331
Cash operations	-	81	-	81
Other derivatives	-	8,891	-	8,891
Subtotal	-	80,113	-	80,113

Debt Instruments				
With changes in profit and loss	916,569	146,773	-	1,063,342
With changes in Other Comprehensive Income	1,173,712	549,182	-	1,722,894
Subtotal	2,090,281	695,955	-	2,786,236
Equity Instruments				
With changes in profit and loss	-	144,796	-	144,796
With changes in Other Comprehensive Income	1,381,693	645	40,986	1,423,324
Subtotal	1,381,693	145,441	40,986	1,568,120
Total assets measured at fair value on a recurring basis	3,471,974	921,509	40,986	4,434,469
Liabilities				
Liabilities at fair value with adjustment in profit and loss				
Derivative financial instruments				
Forwards	-	49,629	-	49,629
Swaps	-	14,388	-	14,388
Cash operations	-	29	-	29
Hedging derivatives	-	1,418	-	1,418
Trading operations	-	2,003	-	2,003
Total liabilities measured at fair value on a recurring basis	-	67,467	-	67,467

(1) Tier 3

	December 31, 2021	December 31, 2020
Equity Instruments		
Camara de Riesgo Central de Contraparte de Colombia S.A. (1)(2)	2,221	2,156
Fiduciaria de Occidente S.A. (1)	33,982	38,830
Total Tier 3	36,203	40,986

(1) See sensibility analysis note 3 Fair value estimation

(2) On December 14, 2020, the merger materialized between Cámara de Riesgo Central de Contraparte de Colombia S.A. (absorbing company) and Cámara de Compensación de Divisas de Divisas de Colombia S.A. (absorbed company), after approval by the Finance Superintendence of Colombia, through Resolution 0939 of October 27, 2020; and by the Board of Directors of Banco de la República, through External Resolutions 22 of September 25 and 27 of November 27, 2020. See note 8 (b).

As of December 2021 and 2020 there were no tier transfers.

Fair value of assets and liabilities not measured at fair value

The following is a comparison of the carrying value and the fair value of each class of financial instruments that the Corporation presents in its financial statements:

	December 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and equivalents (*)	1,602,384	1,602,384	1,225,690	1,225,690
Money market operations (*)	949,386	949,386	401,173	401,173
Debt instruments	75,228	73,232		
At amortized cost			72,629	72,840
Accounts receivable, net(*)	282,058	282,058	239,972	239,972
Total financial assets	2,909,056	2,907,060	1,939,464	1,939,675
Deposits and liabilities	5,357,714	5,244,363	4,952,659	5,058,841
Outstanding investment securities	1,012,103	971,940	502,443	530,223
Money market and related operations (*)	4,860,553	4,860,553	2,644,568	2,644,568
Accounts payable(*)	47,186	47,186	40,582	40,582
Total financial assets	11,277,556	11,124,042	8,140,252	8,274,214

(*) The fair value of financial assets and financial liabilities is determined on the basis of the amount at which the instrument could be exchanged in a transaction between interested parties, other than a forced or liquidated sale. The following methods and hypotheses were used to estimate fair values:

- For cash and cash equivalents, active and passive monetary operations, accounts receivable, accounts payable and other current liabilities, the fair value does not significantly differ from the carrying amount due in large part to the short-term maturities of these instruments.
- The fair value of listed securities is based on listing as of the closing date.

(6) Cash and cash equivalents

The balances of cash and cash equivalents comprise the following:

	December 31, 2021	December 31, 2020
In Colombian pesos		

Cash	3	3
Petty cash	3	3
Banks and other financial institutions on demand(*)	1,563,312	1,192,739
Banks or financial institutions	1,473,824	1,111,034
Banco de la Republica de Colombia	89,488	81,705
Subtotal in Colombian pesos	1,563,315	1,192,742
In foreign currency		
Cash	10	9
General cash	10	9
Banks and other financial institutions on demand	39,059	32,939
Banks or financial institutions	39,059	32,939
Subtotal foreign currency	39,069	32,948
TOTAL CASH AND CASH EQUIVALENTS	1,602,384	1,225,690

(*) Includes the Reserve Requirement available for the corresponding two-week period for the periods ended December 31, 2021 and 2020, valued at \$89,488 and \$81,705 respectively

There were no restrictions or limitations on cash and cash equivalents. To date there are no old conciliating items and there is no evidence of impairment.

(7) Active positions in money market operations

The following is the detail of the active positions in money market transactions, as of December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Balances	Effective Annual Rate (1)	Balances	Effective Annual Rate (1)
Operations agreed upon between 0 and 90 days				
In Colombian pesos				
Transfer commitments in simultaneous operations investments	642,411	2.99%	143,933	1.71%
Subtotal in Colombian pesos	642,411		143,933	
Operations agreed upon of more than 90 days				

Foreign currency

Ordinary interbank funds sold	306,975	257,240	
		1.00%	1.00%
Subtotal foreign currency	306,975	257,240	
Total active positions in Money Market Operations	949,386	401,173	

(1) Corresponding to the average rate of the current operations in legal currency as of the period cut-off

These amounts are not subject to restrictions or limitations.

(8) Investments measured at fair value

The balance of marketable investments in debt securities and investments available for sale in equity securities at fair value comprises the following:

a) Measured at fair value through profit and loss

By currency	December 31, 2021	December 31, 2020
Financial instruments measured at fair value through profit and loss		
Debt Instruments		
In Colombian pesos		
Issued or guaranteed by the Colombian government (*)	1,834,481	992,285
Issued by national issuers	95,361	61,343
Other securities	-	9,714
Total Debt Instruments	1,929,842	1,063,342
Equity Instruments		
In Colombian pesos		
Collective Portfolio	114,736	144,796
Total Equity Instruments	114,736	144,796
Total Instruments at fair value through profit and loss	2,044,578	1,208,138
By classification		
	December 31, 2021	December 31, 2020

Measured at fair value through profit and loss**Debt instruments through profit and loss**

Debt instruments of the Colombian Government (*)	1,834,481	992,285
Financial Entities	83,376	55,849
Others	11,985	15,208
Subtotal	1,929,842	1,063,342

Other equity instruments at fair value with changes in profit and loss

Fiduciaria Corficolombiana Capital Plus	6,527	2,534
Fiduciaria Bogota 60 CCA Sumar	55,146	2,036
Fiduciaria Popular Rentar Plus	-	805
Cuenta Omnibus Valor Plus	26,323	49,676
Cuenta Omnibus Confianza Plus	5,495	66,165
Fiduciaria Deuda Corporativa	18,339	15,644
Fiduciaria CFC Multiplicar	865	7,078
Fiduciaria Popular Renta	2,041	858
Subtotal	114,736	144,796

Total Investments measured at fair value through profit and loss

2,044,578	1,208,138
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(*) As of December 31, 2021 corresponds to the acquisition of TES and TIDIS delivered as collateral in money market operations and the availability of funds generated by the collection of savings deposits and term deposit certificates.

b) Measured at fair value through other comprehensive income (OCI)

By currency	December 31, 2021	December 31, 2020
Financial instruments measured at fair value through other comprehensive income		
In Colombian pesos		
Debt instruments through other comprehensive income	2,069,053	1,477,983
Equity instruments	1,335,734	1,423,211
In foreign currency		
Debt instruments through other comprehensive income	266,212	244,911

Equity instruments	137	113
Total instruments at fair value through other comprehensive income (OCI)	3,671,136	3,146,218

Debt instruments through other comprehensive income	December 31, 2021	December 31, 2020
Debt instruments from the Colombian Government	1,815,245	1,235,771
Bonds from other entities of the Colombian Government	90,064	137,100
Financial Entities	109,191	94,375
Others	320,765	255,648
Subtotal	2,335,265	1,722,894

Financial instruments at fair value through other comprehensive income	% of interest	Classification	December 31, 2021	December 31, 2020
Alimentos Derivados de la Caña S.A.	0.32%	A	184	193
Banco Comercial AV Villas S.A.(Common Shares)	0.02%	A	205	245
Banco Comercial AV Villas S.A. (Preference Shares)	0.01%	A	78	94
Bladex S.A.	0.01%	A	137	113
Bolsa de Valores de Colombia S.A.	4.04%	A	24,121	29,018
Cámara de Riesgo Central de Contraparte de Colombia S.A. (1)	1.47%	A	2,221	2,156
Grupo de Energía de Bogotá S.A. ESP	5.18%	A	1,188,247	1,259,541
Fiduciaria Occidente S.A.	4.44%	A	33,982	38,830
Mineros S.A. (2)	7.96%	A	86,696	93,134
SUBTOTAL			1,335,871	1,423,324
Total investments measured at fair value through other comprehensive income			3,671,136	3,146,218

(1) On December 14, 2020, the merger between Cámara de Riesgo Central de Contraparte de Colombia S.A (absorbing company) and Cámara de Compensación de Divisas de Colombia S.A (absorbed company) was completed, after approval by the Finance Superintendence of Colombia, through Resolution 0939 of October 27, 2020; and by the Board of Directors of the Central Bank of Colombia, through External Resolutions 22 of September 25 and 27 of November 27, 2020.

The following is the share exchange ratio once the merger has been completed

<i>Entity</i>	<i>Outstanding Shares</i>	<i>Corficolombiana % Interest</i>	<i>Own Shares</i>	<i>Exchange Ratio</i>	<i>Resulting Shares</i>	<i>Market Value</i>
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<i>Cámara de Riesgo Central de Contraparte de Colombia S.A.</i>	40,366,665,415	1.09%	440,571,656	1	440,571,656	361
<i>Cámara de Compensación de Divisas de Colombia S.A.</i>	2,781,464,526	2.86%	79,687,500	3.92	312,375,000	1,390
					Total	1,751

<i>Precia S.A. price (Price provider) (Value in pesos)</i>	2,864
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<i>Market Value</i>				
<i>Cámara de Riesgo Central de Contraparte de Colombia S.A. merged</i>	51,270,006,352	1.47%	752,946,656	2,156

<i>Effect on valuation</i>	405
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(2) On November 18, 2021, 1,500,000 shares of Mineros were purchased for \$5,232, resulting in a 0.58% dilution of the Corporation's percentage.

The credit quality determined by independent risk rating agents of the main counterparties in debt securities and investments in equity instruments in which the Corporation has financial assets at fair value, corresponds to the rating code reported by the Finance Superintendence of Colombia for Long-Term Issuers, Investment Quality, "Investment Grade".

Equity instruments at fair value through other comprehensive income have been designated taking into account that they are strategic investments for the Corporation and therefore are not expected to be sold in the near future.

As of December 31, 2021 and 2020, dividends have been recognized in the income statement for the following investments:

Dividends	December 31, 2021	December 31, 2020
Grupo de Energia de Bogota S.A. E.S.P.	129,757	66,542
Mineros S.A.	5,745	4,314
Bolsa de Valores de Colombia S.A.	2,828	1,021
Fiduciaria de Occidente S.A.	1,886	1,594
Camara de Riesgo Central de Contraparte de Colombia S.A.	49	27
Banco Comercial Av. Villas S.A.	19	27
Bladex S.A.	6	9
Gas Natural S.A. ESP	-	1,041
Camara de Compensacion de Divisas de Colombia S. A.	-	75

Total	140,290	74,650
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Reclassification and sale of investment in debt securities

As of December 31, 2021, the Corporation sold investments in debt securities classified as available for sale for a market value of \$281,673, this generated a profit in the statement of income of \$10,222, which are detailed as follows:

Sale Date	Kind	Nominal Value	Market Value	Profit
Jan-15	TES FIXED RATE	15,000	19,002	1,151
Jan-21	GEB USD BOND	0.5	2,062	323
Jan-22	PIPELINE USD BOND	0.2	754	60
Jan-28	TES FIXED RATE	41,000	44,989	1,999
Feb-23	TES FIXED RATE	50,001	56,086	1,508
Feb-25	TES FIXED RATE	25,000	29,414	232
Mar-15	SURAAM USD BOND	5	18,111	1,754
Apr-09	TES FIXED RATE	47,000	50,729	1,226
Jun-08	TES UVR	150	46,059	971
Oct-13	SURAAM USD BOND	4	14,467	998
General Total		178,159	281,673	10,222

As of December 31, 2020, the Corporation sold investments in debt securities classified as available-for-sale with a market value of \$2,333,859, generating a profit in the income statement for \$102,265, which are detailed as follows:

Sale Date	Kind	Nominal Value	Market Value	Profit
Jan-09	TES FIXED RATE	25,000	27,311	364
Jan-10	TES UVR	260	78,236	1,596
Jan-16	TES FIXED RATE	179,000	221,777	6,087
Jan-22	TES FIXED RATE	60,000	62,848	2,256
Feb-12	TES FIXED RATE	51,500	59,152	854
Feb-13	TES UVR	200	57,595	279
Feb-14	TES FIXED RATE	55,000	63,160	1,197
Feb-26	USD BOND	7	25,537	1,022
Feb-28	TES FIXED RATE	150,000	183,021	4,217
Mar-04	TES UVR	91	26,268	153
Apr-27	TES FIXED RATE	29,000	36,298	773
Apr-28	TES FIXED RATE	61,000	73,024	1,499
May-21	TES FIXED RATE	92,500	106,581	5,872
May-22	TES FIXED RATE	29,000	32,178	2,370
May-27	TES FIXED RATE	15,900	16,939	1,569
Jun-01	TES FIXED RATE	125,000	163,935	7,610
Jul-15	TES FIXED RATE	60,000	69,197	2,550
Jul-16	TES FIXED RATE	30,000	31,993	834
Jul-22	TES FIXED RATE	20,000	24,475	1,217
Aug-05	TES FIXED RATE	85,000	97,628	9,051
Aug-10	TES FIXED RATE	15,000	17,218	1,503
Aug-18	TES FIXED RATE	77,000	87,567	6,203
Aug-19	TES FIXED RATE	53,000	58,657	4,369
Aug-24	TES FIXED RATE	50,000	56,933	3,511
Aug-25	TES FIXED RATE	50,000	56,778	2,986
Sep-04	TES FIXED RATE	25,000	28,621	1,695

Sale Date	Kind	Nominal Value	Market Value	Profit
Sep-07	TES FIXED RATE	37,000	42,349	2,567
Sep-08	TES FIXED RATE	48,500	55,671	3,197
Sep-09	TES FIXED RATE	26,500	30,310	1,766
Sep-09	EPM USD BOND	3	11,482	205
Sep-10	TES FIXED RATE	50,000	57,250	2,991
Sep-11	TES FIXED RATE	10,000	11,423	643
Sep-14	TES FIXED RATE	50,000	57,263	3,209
Sep-18	OCENSA USD BOND	4	15,417	353
Oct-01	TES FIXED RATE	65,000	74,632	4,204
Nov-04	TES FIXED RATE	57,000	63,092	2,821
Nov-09	TES FIXED RATE	45,000	52,113	2,788
Dec-02	TES FIXED RATE	25,000	27,460	1,644
Dec-04	PACTUAL BTG BOND	5,000	5,222	214
Dec-10	TES FIXED RATE	28,000	30,760	1,811
Dec-14	TES FIXED RATE	5,000	5,874	459
Dec-21	TES FIXED RATE	26,000	30,614	1,756
General Total		1,816,465	2,333,859	102,265

Changes in fair values mainly reflect the market conditions due to fluctuations in interest rates and other economic conditions in the country where the investment is held. As of December 31, 2021 and 2020, the Corporation considers that there have been no significant losses in the fair value of financial assets due to impairment conditions in the credit risk of these assets.

As of December 31, 2021 and 2020 there are investments in debt securities securing repo operations for \$1,573,444 and \$872,429 respectively.

Additionally, as of December 31, 2021 and 2020, the financial instruments at fair value of \$25,614 and \$11,196 respectively, have been provided as collateral to third parties in support of financial obligations to others.

(9) Measurements at amortized cost

The balance of financial assets in investments at amortized cost includes the following:

	December 31, 2021	December 31, 2020
Debt Instruments		
In Colombian pesos		
Issued or secured by other entities of the Colombian Government	75,228	72,629

The credit quality, determined by the independent risk rating agents of the main counterparties in debt securities, in which the Corporation has financial assets at amortized cost, corresponds to the rating code reported by the Finance Superintendence of Colombian for Long-Term issuers, Investment Quality and Investment Grade.

The following is the summary of financial assets in investments at amortized cost by maturity dates:

	December 31, 2021	December 31, 2020
Up to 1 month	2,804	2,958
More than 3 months and less than 1 year	72,424	69,671
Total	75,228	72,629

(10) Other investments

The balance of investments in fiduciary rights and equity investments to variation in equity comprises the following:

Investments in Fiduciary Rights through profit and loss	December 31, 2021	December 31, 2020
Melendez – 3941 – Alferez Management Trust	22,450	22,502
Fiduciaria Bogotá Patrimonio B	57	41
20-05P Trust - Portfolio	2,696	2,814
Fibratolima S.A. Trust in compulsory liquidation	1,333	3,795
Subtotal Investments in Fiduciary Rights	26,536	29,152

Financial Instruments at changes in equity through other comprehensive income	% of Interest	Rate	December 31, 2021	December 31, 2020
Corporación Andina de Fomento	0.00%	A	1,720	1,354
Inducarbón Ltda.	0.09%	E	1	1
Petróleos Colombianos Limited	0.05%	E	198	170
Petróleos Nacionales S.A.	19.54%	E	257	257
Promotora la Alborada S.A. In restructuring	1.83%	E	316	316
Promotora la Enseñanza S.A.	2.45%	E	70	70
Reforestadora de Santa Rosalia C.I. S.A.	0.00%	E	13	13
Sociedad Hotelera Cien Internacional S.A.(Hotel Bogotá Royal)	0.39%	A	53	87
Subtotal			2,628	2,268
Equity investments impairment			(854)	(827)
Subtotal Financial instruments at changes in equity			1,774	1,441
Total Other Investments			28,310	30,593

The following is a detail of the impairment of fiduciary rights and equity investments:

Investment impairment	% of Interest	December 31, 2021	December 31, 2020
Promotora la Alborada S.A. In restructuring	1.83%	316	316
Petróleos Nacionales S.A.	19.54%	257	257
Petróleos Colombianos Limited	0.05%	198	171
Promotora la Enseñanza S.A.	2.45%	70	70
Reforestadora de Santa Rosalia C.I. S.A.	0.00%	12	12
Inducarbón Ltda.	0.09%	1	1
Total		854	827

(11) Derivative Financial Instruments

The following table shows the fair values at the end of the period of forwards, futures and interest rate and foreign currency swaps to which the Corporation is a party.

Derivative financial instruments include the following:

Item	December 31, 2021		December 31, 2020	
	Notional Amount (1)	Fair Value	Notional Amount (1)	Fair Value
Assets				
Operation with speculative derivatives				
Forwards for purchase of foreign currency	1,803,261	67,536	259,511	1,336
Forwards for sale of foreign currency	1,331,824	8,802	1,276,068	61,125
Forwards for sale of securities	218,000	821	217,415	349
Subtotal	3,353,085	77,159	1,752,994	62,810
Interest rate swaps	1,667,300	8,896	871,000	8,331
Subtotal	1,667,300	8,896	871,000	8,331
Subtotal				
Currency call options	5,606	5,543	5,806	379
Currency put options	4,222	641	5,161	8,512
Subtotal	9,828	6,184	10,967	8,891
Cash operations	509	32	106,064	81
Total operations with speculative derivatives	5,030,722	92,271	2,741,025	80,113
Operations with hedging derivatives				
Forwards for purchase of foreign currency	14,368	906	-	-
Total operations with hedging derivatives (2)	14,368	906	-	-
Total Assets	5,045,090	93,177	2,741,025	80,113
Liabilities				
Forwards for purchase of foreign currency	673,112	3,867	773,610	39,446
Forwards for sale of foreign currency	2,072,585	86,773	535,672	8,960

Item	December 31, 2021		December 31, 2020	
	Notional Amount (1)	Fair Value	Notional Amount (1)	Fair Value
Forwards for sale of securities	365,000	2,738	306,121	1,223
Subtotal	3,110,697	93,378	1,615,403	49,629
Interest rate swaps	1,050,500	4,544	1,617,000	14,388
Cross currency swaps	-	-	-	-
Subtotal	1,050,500	4,544	1,617,000	14,388
Futures contract for sale of securities	-	-	605,000	-
Subtotal	-	-	605,000	-
Currency call options	4,696	12,190	5,587	2,003
Currency put options	621	2,372	-	-
Subtotal	5,317	14,562	5,587	2,003
Cash operations	37	37	36,590	29
Total operations with speculative derivatives	4,166,551	112,521	3,879,580	66,049
Operations with hedging derivatives				
Forwards for purchase of foreign currency	-	-	17,308	1,418
Total operations with hedging derivatives (2)	-	-	17,308	1,418
Total Liabilities	4,166,551	112,521	3,896,888	67,467
Net Position	878,539	(19,344)	(1,155,863)	12,646

(1) Notional amount is expressed in functional currency

The derivative instruments used by the Corporation are generally traded in organized markets. Derivative instruments have favorable net (asset) or unfavorable (liability) conditions as a result of fluctuations in foreign exchange rates and in the interest rate market or in other variables related to their conditions. The cumulative amount of the fair values of assets and liabilities in derivative instruments may vary significantly from time to time.

(2) The following is a summary of hedging derivatives:

Item hedged	Flow of expenses in dollars for purchase of the Treasury Core application (CALYPSO). The flows are equivalent to the effective delivery of each of the progresses agreed
Class	Highly probable expected operations
Currency	USD
Total Period	4 years (implementation)
Start date	September 2020
End date	March 2024

Risk Exchange rate risk in the magnitude of cash flows associated with the payments for the deliverables of the Treasury Core agreement with the provider CALIPSO denominated in USD and settled in COP pesos, attributable to fluctuations in the COP-USD parity.

	December 31, 2021	December 31, 2020
Amount hedged in dollars	3,608,933	5,042,245
Nominal value of FWDs in dollars	3,608,933	5,042,245
Percentage hedged	1	1
Fair value	906	(1,418)
Number of FWDs contracts	18	28

The Corporation has documented evidence of the effectiveness of hedging its net foreign currency investments based on the portion of the net investment hedged at the inception of the hedging relationship. The hedge is considered to be fully effective because the critical terms and risks of the obligations that serve as the hedging instrument are identical to those of the primary hedged position. Accordingly, the hedge accounting strategies were effective as of December 31, 2021.

The following is a summary of the credit quality determined by independent risk rating agents of the major counterparties in active derivative instruments:

Credit quality	December 31, 2021	December 31, 2020
AAA	(12,929)	8,705
AA+	2,307	(504)
AA	262	6,423
AA-	631	(9,993)
A (International)	1,052	-
A- (International)	4,825	(971)
A+ (International)	7,033	(2,334)
AA- (International)	18	5,003
B+ (International)	(93)	-
BBB (International)	-	(502)
BBB+ (International)	467	-
BBB- (International)	-	(1,660)
BB- (International)	-	(614)
Unrated	(22,917)	9,093
Total	(19,344)	12,646

(12) Investments in subsidiaries

The following is a summary of the investments in subsidiaries:

December 31, 2021						
Investments in Subsidiaries	Interest %	Number of Shares	Cost	Equity Method	Result Method	Investment Value
Colombiana de Licitaciones y Concesiones S.A.S. (5)	100.00%	31,160,865	1,179,623	420,894	3,250,167	4,850,684
Proyectos y Desarrollos Viales del Pacífico S.A.S. (5)	100.00%	53,585,499	1,196,285	108,931	1,072,028	2,377,244
Promigas S.A. (1)	34.87%	395,710,250	869,250	90,114	813,365	1,772,729
Estudios y Proyectos del Sol S.A.S. (4)	100.00%	238,470,532	688,933	(987,928)	1,082,700	783,705
Estudios Proyectos e Inversiones de los Andes S.A. (3) (5)	99.99%	340,022,714	665,369	(91,239)	133,871	708,001
CFC Gas Holding S.A.S.	100.00%	20,858,597	319,792	(84,531)	290,298	525,559
Fondo de Capital Privado Corredores Capital I	97.30%	11,189,515	-	(16,662)	286,158	269,496
Proyectos y Desarrollos Viales del Mar S.A.S. (5)	100.00%	18,477,055	264,052	(2,848)	(1,483)	259,721
Hoteles Estelar de Colombia S.A.	84.96%	4,221,878,224	141,675	85,704	31,695	259,074
Organización Pajonales S.A.	99.72%	202,008,937	202,469	(10,180)	29,960	222,249
Valora S.A. (5)	100.00%	723,199,337	185,095	15,557	12,050	212,702
CFC Private Equity Holdings S.A.S.	100.00%	6,108,740	60,907	40,667	78,211	179,785
Proyectos de Infraestructura S.A.	88.25%	52,922,419	84,611	(164,107)	223,506	144,010
Plantaciones Unipalma de los Llanos S.A.	54.53%	1,515,383,414	16,409	58,714	8,889	84,012
Concesionaria Vial del Pacífico S.A.S. (2)	89.90%	17,980	56,766	-	-	56,766
Fiduciaria Corficolombiana S.A.	94.50%	29,657,829	36,588	- 1,863	20,112	54,837
Promotora y Comercializadora Turística Santamar S.A.	84.66%	7,375,981,277	16,925	10,364	7,844	35,133
Tejidos Sintéticos de Colombia S.A.	94.99%	86,288,271	19,676	(10,235)	17,788	27,229
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa	38.95%	6,068,654	14,093	(4,561)	4,958	14,490
Mavalle S.A.	46.77%	6,537,899	7,818	(1,299)	4,152	10,671
Proyectos y Desarrollos Viales Andinos S.A.S.	100.00%	385,863	15,977	(523)	(7,960)	7,494
Proyectos de Ingeniería y Desarrollos S.A.S.	100.00%	2,000,000	2,000	343	2,387	4,730
Proyectos y Desarrollos Viales del Oriente S.A.S. (5)	100.00%	1,886,976	4,719	-	(3,934)	785
Gestora en Infraestructura y Desarrollo S.A.S.	100.00%	1,000	1	-	333	334
Concesionaria Vial de los Andes S.A. (3)	0.25%	68,002	93	(180)	264	177
CFC Energy Holdings S.A.S.(5)	100.00%	290,000	279	(11)	(120)	148
Subtotal Investments in Subsidiaries			6,049,405	(544,879)	7,357,239	12,861,765
Impairment of investments in subsidiaries (2)						(56,766)
Concesionaria Vial del Pacífico S.A.S						
Total Investments in Subsidiaries						12,804,999

December 31, 2020						
Investments in Subsidiaries	Interest %	Number of Shares	Cost	Equity Method	Result Method	Investment Value
Colombiana de Licitaciones y Concesiones S.A.S. (5)	100.00%	30,118,599	1,016,656	684,656	2,496,141	4,197,453
Proyectos y Desarrollos Viales del Pacífico S.A.S. (5)	100.00%	52,726,585	1,157,470	202,652	625,668	1,985,790
Promigas S.A. (1)	34.87%	395,710,250	869,250	71,063	596,149	1,536,462
Estudios y Proyectos del Sol S.A.S. (4)	100.00%	238,470,532	688,933	(982,845)	1,121,411	827,499
CFC Gas Holding S.A.S.	100.00%	20,858,597	319,792	(66,834)	200,902	453,860
Estudios Proyectos e Inversiones de los Andes S. A. (3) (5)	99.98%	241,097,585	375,617	(81,760)	134,826	428,683
Hoteles Estelar de Colombia S.A.	84.96%	4,221,878,224	141,675	82,308	53,014	276,997
Fondo de Capital Privado Corredores Capital I	97.30%	11,650,339	-	8,822	223,908	232,730

December 31, 2020						
Investments in Subsidiaries	Interest %	Number of Shares	Cost	Equity Method	Result Method	Investment Value
Proyectos y Desarrollos Viales del Mar S.A.S. (5)	100.00%	16,194,090	228,420	(3,314)	(4,846)	220,260
Organización Pajonales S.A. (5)	99.72%	202,008,937	202,469	(8,552)	24,055	217,972
Valora S.A. (5)	100.00%	720,893,922	184,433	16,857	5,715	207,005
CFC Private Equity Holdings S.A.S. (5)	100.00%	6,108,740	60,907	51,226	19,641	131,774
Proyectos de Infraestructura S.A.	88.25%	52,922,419	84,611	(162,805)	192,931	114,737
Plantaciones Unipalma de los Llanos S.A.	54.53%	1,515,383,414	16,409	60,754	(4,861)	72,302
Fiduciaria Corficolombiana S.A.	94.50%	29,657,829	36,588	4,136	18,593	59,317
Concesionaria Vial del Pacifico S.A.S. (2)	89.90%	17,980	56,766	-	-	56,766
Promotora y Comercializadora Turística Santamar S.A.	84.66%	7,375,981,277	16,925	10,567	6,839	34,331
Tejidos Sintéticos de Colombia S.A.	94.99%	86,288,271	19,676	(10,229)	15,664	25,111
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa	38.95%	6,068,654	14,093	(2,491)	4,138	15,740
Proyectos y Desarrollos Viales Andinos S.A.S. (5)	100.00%	385,863	15,977	(523)	(5,079)	10,375
Mavalle S.A.	46.77%	6,537,899	7,818	(1,157)	2,064	8,725
Proyectos de Ingeniería y Desarrollos S.A.S.	100.00%	2,000,000	2,000	348	722	3,070
Proyectos y Desarrollos Viales del Oriente S.A.S.	100.00%	1,284,976	4,117	-	(3,300)	817
Concesionaria Vial de los Andes S.A.(3)	0.25%	68,002	93	(180)	291	204
CFC Energy Holdings S.A.S.	100.00%	240,000	229	(11)	(92)	126
Gestora en Infraestructura y Desarrollo S.A.S. (5)	100.00%	1,000	1	-	95	96
Compañía en Infraestructura y Desarrollo S.A.S. (5)	100.00%	965,000	965	-	(965)	-
Total Investments in Subsidiaries			5,521,890	(127,312)	5,723,624	11,118,202

(1) Includes Goodwill for \$40,868.

According to the provisions of decree 2267/2014 in its article 2 “Preparers of information who are classified within letter b) of paragraph 1 of article 1 of Decree 2784/2012 shall apply the regulatory technical framework provided in the Annex of Decree 2784/2012 as amended, except for the provisions on classification and appraisal of investments of IAS 39 and IFRS 9 included in such annex”.

According to External Circular Letter 034/2014 issued by the Finance Superintendence of Colombia, investments in subordinates under Law 222/1995 are measured in the separate financial statements by using the equity method. However, for those investments in controlled entities for which there is no accounting treatment in such law, provisions of IAS 27 will apply. In this sense, control assessments under IFRS 10 Consolidated Financial Statements, made to determine if an entity is controlled or not and thus, if the investment in this entity is considered as an investment in a controlled entity, are fundamental to define its classification in the separate financial statement. According to the control assessment under IFRS, Promigas S.A. ESP and Fondo de Capital Privado Corredores Capital I must be consolidated and thus, measured as controlled investments in the separate financial statement of the Corporation.

Nonetheless, under Law 222/1995, assumptions to establish subordination on an entity are based on the exclusive definition for entities that are companies and not on different entities of special purpose such as private equity funds which under the Colombian legal order are not considered companies, in line with the provisions of the Code of Commerce in the chapter referring to companies. The non-establishment of subordination on this type of entities does not require consolidation under the terms of article 35 of the Code of Commerce. As the Fund is not subject to consolidation as such, the interest of such Fund in Promigas must not be considered for the calculation of determining the interest of Corficolombiana in order to determine if there is subordination under this Law.

Given the foregoing, both the investment in Promigas S.A. ESP and Fondo de Capital Privado Corredores Capital are not subordinated under Law 222/1995, but controlled under IFRS 10.

(2) The Corporation has a direct interest of 100% in Proyectos y Desarrollos Viales del Pacifico S.A.S. and Estudios y Proyectos del Sol S.A.S. Proyectos y Desarrollos Viales del Pacifico S.A.S. acquired 40% of Concesionaria Vial del Pacifico S.A.S. through an operation of purchase from Iridium. Estudios y Proyectos del Sol S.A.S. holds 49.9% of Concesionaria Vial del Pacifico S.A.S., which is why the Corporation has an indirect control over Concesionaria Vial del Pacifico S.A.S. of 89.90%, which generated a recognition by goodwill of \$56,766 million. As of December 31, 2021, after analyzing the macroeconomic variables of the company, the Corporation determined the recognition of impairment at 100%.

(3) On January 15, 2018, pile B of the Chirajara Bridge collapsed, which was part of the works of the second roadway of the Bogotá - Villavicencio highway in its middle third, whose construction was in charge of Gisaico S.A., subcontractor company of the developer Coninval S.A.S.

On July 3, 2018, the law firm Arrieta Mantilla y Asociados - AMYA, Coninval's attorney-in-fact, filed an arbitration claim against Gisaico for breach of Contract No. 123-OT-032-005. On March 2, 2020, the arbitration award was issued in which it was declared that due to Gisaico's breach the B pile collapsed and Gisaico was ordered to pay the amount of \$6,573,418.

The firm Modjeski and Masters, a specialized firm hired by Coviandes, concluded that the collapse of pile B was caused by a design error. In view of the claim presented to the insurer, on July 24, 2018, a settlement agreement was entered into between QBE and Coninval S.A.S, whereby the insurer acknowledged to Coninval the amount of \$35,233 for the damages suffered with the collapse of pile B and damage to pile C of the bridge as a result of design errors in the works under construction.

Similarly, in August 2018, Coninval, filed a formal claim before CHUBB Seguros Colombia S.A of Compliance Policy No. 31930, to obtain the recognition and payment of the indemnity for the damages suffered due to the breach of contract 123-OT-032-005 by Gisaico, who did not deliver the totality of the works within the agreed term. In view of the impossibility of reaching an agreement, the respective lawsuit was filed and heard by the ordinary courts, which to date is being processed.

On October 9, 2018, after a selection process, agreement No. 444-054-18 was executed between Coviandes and Consorcio Puente y Torones S.A.S -Eiffage Genie Civil (CPE), the purpose of which was to advance the design and construction of the new Chirajara Bridge.

On November 27, 2018, ANI and Coviandes entered into a settlement agreement in order to prevent a conflict, for the eventual damages suffered by the entity, resulting from the non-timely delivery of the Chirajara Bridge. By virtue of said agreement, the Concessionaire undertook to execute on its own account, cost and risk the design and construction of the new Chirajara Bridge, to assume the cost of the Inspection for \$3,000 hired by ANI to supervise the construction of the work and to pay ANI the cost of the legal counsel hired due to the collapse of the bridge for \$120 and the sum of \$8,354, as compensation for the longer term required for the execution of the studies, designs and construction of the new Bridge.

On July 18, 2019, Coviandes delivered the final designs of stage 1, in the hope of obtaining a prompt and favorable response from GINPROSA (ANI's Inspection), which was not given.

Once the established term expired, without approval of the designs and without finding a solution despite the requests filed by Coviandes and numerous work tables with ANI and its Inspection, CPE warned about the effects of the delay and non-approval of the designs, and requested the suspension of the agreement, a request that Coviandes submitted to ANI, who did not make a decision on the issue.

As of December 2019, internal meetings were initiated between Coviandes and CPE, and others with the ANI, who in the course of the negotiations expressed interest in the Study of an alternative with successive cantilever typology of the new bridge, which led Coviandes to discuss since April 2020, the possibility of early termination of the agreement with CPE.

On July 13, 2020, a final conciliation agreement was reached with CPE that included the early termination of the Agreement. By virtue of this agreement, Coviandes recognized a value for the restitution of the amounts paid for the insurance policies of the Agreement, reaching a final conciliation agreement of \$ 17,488, with a balance of the advance payment of \$ 7,462 in favor; additionally, equipment for \$ 4,617 and construction supplies for a value of \$ 507 were received.

Chirajara Bridge Settlement Agreement - Change of Bridge Typology and Chirajara sanctioning process executed on January 5, 2021.

ANI promoted and accepted the change of bridge typology, due to budgetary issues, given the higher cost of the cable-stayed bridge designs according to the intervention of the Inspection.

Main Aspects of the Agreement

The Colombian technical design standard applicable for the new bridge with successive cantilevers will be LFRD CCP-14 of 2014.

Coviandes will deliver the Phase III designs within 5 days after the execution of the Addendum and the term for issuing observations and delivery of documents from both parties was regulated, in order to speed up the processes.

The construction term will be 32 months and will only begin counting when no objection to the Second Phase of the Studies and Designs is obtained from the Inspection.

ANI reserved the right to: (i) continue with the administrative sanctioning process; and (ii) claim the damages caused not settled under the terms set forth in the paragraph of Clause Ten of the Settlement Agreement.

Coviandes reserved the right to claim from ANI: (i) The termination of the work subcontract subscribed for the construction of the cable-stayed viaduct Chirajara with the CPE Consortium; (ii) The costs and expenses for the revision of the designs executed by the CPE Consortium; (iii) The non-use of the existing foundation and counterweight structures of the cable-stayed viaduct; (iv) The various expenses

to respond to the requirements of the Inspection; (v) The design expenses of the new bridge typology; and (vi) The costs and expenses of the administrative and on-site permanence of Coviandes and its subcontractors.

ANI Administrative Sanction Process

Due to the impossibility to deliver the totality of the works contemplated in Additional No. 1. of 2010 to Concession Agreement No. 444 of 1994, in the first half of 2018 ANI opened an administrative sanctioning process in the framework of the provisions of Article 86 of Law 1474/2011.

After the different stages of the process were carried out, on December 20, 2019 Coviandes was notified of Resolution No. 1956/2019 by which ANI resolved to declare the breach of the obligations that were considered as breached in the summons by which the process was initiated. As a consequence of the declaration of the referred breach, ANI proceeded to quantify the damages suffered for a value of \$33,360 pesos of August 2019, value that corresponds to the sum of the amount of the damages for displacement of the CAPEX as the cost of the value of the investments in time, as well as for the higher remunerated amount of OPEX. Against the aforementioned Resolution, both the insurer - Seguros Alfa (as Guarantor) and the Concessionaire filed a motion for reconsideration.

By means of Resolution No. 20217070000535 of January 14, 2021, issued within the administrative sanctioning procedure, ANI declared the breach of Coviandes' obligations and confirmed the sanction imposed by Resolution No. 1956 of 2019, in the amount of \$33,360.

Once the issue has been analyzed, Coviandes will immediately summon ANI to the Arbitration Court provided by the parties in the concession agreement 444 of 1994 and its Additional No. 1 of 2010. In accordance with the provisions of the applicable regulations, ANI's Resolution loses enforceability upon the filing of the annulment and reinstatement of rights action, and as a consequence, the coercive collection of such sanction from Coviandes does not proceed, that is to say, the payment cannot be enforceable against the company. Likewise, Coviandes will give the respective notice to the contracting entity, so that it refrains from initiating the coercive collection for the amount determined in Resolution No. 20217070000535.

On the other hand, the Concessionaire's management, supported by the opinion of its legal advisors, assessed as possible the probability of an unfavorable result for the Concessionaire in the arbitration proceeding in which the annulment of the Resolution will be requested. Based on the foregoing, no liability for this concept is recognized in the financial statements.

(4) Including adjustment of 100% of impairment investment of Concesionaria Ruta del Sol S.A.S. (CRDS), for \$354,749 (investment in Estudios y Proyectos del Sol S.A.S.)

On August 6, 2019, the Arbitration Court of the Bogotá Chamber of Commerce declared the absolute invalidity of Concession Agreement No. 001 of 2010, its other addenda and other contractual arrangements, entered into between the National Institute of Concessions - INCO (today ANI) and the Concesionaria Ruta del Sol S.A.S. (CRDS) for the construction of Sector 2 of the Ruta del Sol Project.

As a consequence of the above, the Arbitration Court set at the amount of \$211,273, the value of the acknowledgments that ANI must make in favor of CRDS for the benefit of its bona fide third party creditors. Such amount added to the two payments received by the creditor banks in December 2017 and January 2019 for a total of \$1.42 trillion pesos establishes that the liquidation value of concession agreement No. 001 of 2010, for the construction of Sector 2 of the Ruta del Sol, amounts to at least \$1.63 trillion pesos.

In relation to the aforementioned decision, Article 39 of Law 1563 of 2012 states that within five (5) days following its notice, the arbitration award may be clarified, corrected and supplemented ex officio or at the request of a party. In the case of the referred arbitration award, said term will be fulfilled on August 14, 2019. Similarly, it is specified that the Arbitration Court has set August 16, 2019 as the date on which the hearing will be held to resolve any possible clarifications, corrections or complements that may be presented.

In accordance with the above, at this time it is not possible to state with certainty the final amount of the arbitration award or the liquidation value of concession agreement No. 001 of 2010.

(5) Includes capitalizations made as of December 31, 2021.

The following is the investment movement detail of as of December 31, 2021

Investment in Subsidiaries	Investment Value	Variation					Investment Value
	December 31, 2020	Result Method	Equity Method	Capitalizations	Dividends received in cash	Sale of Investments	December 31, 2021
Colombiana de Licitaciones y Concesiones S.A.S.	4,197,453	754,026	5,494	162,967	-	(269,256)	4,850,684
Proyectos y Desarrollos Viales del Pacífico S.A.S.	1,985,790	446,360	(1,441)	38,815	-	(92,280)	2,377,244
Promigas S.A.	1,536,462	400,033	36,460	-	(182,818)	(17,408)	1,772,729
Estudios y Proyectos del Sol S.A.S.	827,499	(38,710)	(288)	-	-	(4,796)	783,705
Estudios Proyectos e Inversiones de los Andes S.A.	428,683	(955)	(12)	289,752	-	(9,467)	708,001
CFC Gas Holding S.A.S.	453,860	121,396	(12,415)	-	(32,000)	(5,283)	525,558
Fondo de Capital Privado Corredores Capital I (1)	232,730	62,249	(521)	-	(22,253)	(2,709)	269,496
Proyectos y Desarrollos Viales del Mar S.A.S.	220,260	3,363	-	35,633	-	466	259,722
Hoteles Estelar de Colombia S.A.	276,997	(21,319)	4,357	-	-	(961)	259,074
Organización Pajonales S.A.	217,972	5,905	220	-	-	(1,848)	222,249
Valora S.A.	207,005	6,335	(1,177)	662	-	(123)	212,702
CFC Private Equity Holdings S.A.S.	131,774	58,570	(29)	-	-	(10,529)	179,786
Proyectos de Infraestructura S.A.	114,737	110,263	(34)	-	(79,688)	(1,269)	144,009
Plantaciones Unipalma de los Llanos S.A.	72,302	13,750	136	-	-	(2,175)	84,013
Concesionaria Vial del Pacífico S.A.S.	56,766	-	-	-	-	-	56,766
Fiduciaria Corficolombiana S.A.	59,317	12,524	(6,159)	-	(11,004)	159	54,837
Promotora y Comercializadora Turística Santamar S.A.	34,331	1,004	-	-	-	(203)	35,132
Tejidos Sintéticos de Colombia S.A.	25,111	6,109	(10)	-	(3,985)	4	27,229
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa	15,740	820	(2,070)	-	-	-	14,490
Mavalle S.A.	8,725	2,088	215	-	-	(357)	10,671
Proyectos y Desarrollos Viales Andinos S.A.S.	10,375	(2,882)	-	-	-	-	7,493
Proyectos de Ingeniería y Desarrollos S.A.S.	3,070	1,665	-	-	-	(5)	4,730
Proyectos y Desarrollos Viales del Oriente S.A.S.	817	(634)	-	602	-	-	785
Gestora en Infraestructura y Desarrollo S.A.S.	96	238	-	-	-	-	334
Concesionaria Vial de los Andes S.A.	204	(27)	-	-	-	-	177
CFC Energy Holdings S.A.S.	126	(27)	-	50	-	-	149
Subtotal Investments in Subsidiaries	11,118,202	1,942,144	22,726	528,481	(331,748)	(418,040)	12,861,765
Impairment of Investments in Subsidiaries							
Previous balance December 31, 2020							-
Impairment expense							
Concesionaria Vial del Pacifico S.A.S							(56,766)
Current balance December 31, 2021							(56,766)
Total Investments in Subsidiaries							12,804,999

Investment in Subsidiaries	Investment Value	Variation					Investment Value
	December 31, 2019	Result Method	Equity Method	Capitalizations	Dividends received in cash	Sale of Investments	December 31, 2020
Colombiana de Licitaciones y Concesiones S.A.S.	2,754,339	666,813	610,939	165,362	-	-	4,197,453
Proyectos y Desarrollos Viales del Pacífico S.A.S.	974,939	305,673	143,755	561,423	-	-	1,985,790
Promigas S.A.	1,293,648	390,967	5,383	-	(153,536)	-	1,536,462
Estudios y Proyectos del Sol S.A.S.	1,447,391	138,347	(758,239)	-	-	-	827,499
CFC Gas Holding S.A.S.	380,175	118,644	(843)	-	(44,116)	-	453,860
Estudios Proyectos e Inversiones de los Andes S. A.	349,690	21,216	(67)	57,844	-	-	428,683
Hoteles Estelar de Colombia S.A.	306,004	(25,271)	(3,736)	-	-	-	276,997
Fondo de Capital Privado Corredores Capital I (1)	194,946	60,839	(3,365)	-	(19,690)	-	232,730
Proyectos y Desarrollos Viales del Mar S.A.S	203,031	1,198	31	16,000	-	-	220,260
Organización Pajonales S.A.	203,426	3,651	109	10,786	-	-	217,972
Valora S.A.	196,525	(2,672)	(276)	13,428	-	-	207,005
CFC Private Equity Holdings S.A.S.	81,344	3,993	46,325	112	-	-	131,774
. Proyectos de Infraestructura S.A.	86,579	79,471	-	-	(51,313)	-	114,737
Plantaciones Unipalma de los Llanos S.A.	67,843	4,458	1	-	-	-	72,302
Fiduciaria Corficolombiana S.A.	53,753	12,292	849	-	(7,577)	-	59,317
Concesionaria Vial del Pacífico S.A.S.	56,766	-	-	-	-	-	56,766
Promotora y Comercializadora Turística Santamar S.A.	35,198	(867)	-	-	-	-	34,331
Tejidos Sintéticos de Colombia S.A.	22,710	4,467	-	-	(2,066)	-	25,111
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa	14,153	1,517	70	-	-	-	15,740
Proyectos y Desarrollos Viales del Andino S.A.S.	5,991	(2,545)	(523)	7,452	-	-	10,375
Mavalle S.A.	7,470	1,255	-	-	-	-	8,725
Proyectos de Ingeniería y Desarrollos S.A.S.	2,251	819	-	-	-	-	3,070
Proyectos y Desarrollos Viales del Oriente S.A.S.	1,578	(761)	-	-	-	-	817
Concesionaria Vial de los Andes S.A.	195	9	-	-	-	-	204
CFC Energy Holdings S.A.S.	146	(20)	-	-	-	-	126
Gestora en Infraestructura y Desarrollo S.A.S.	-	96	-	-	-	-	96
Compañía de Infraestructura y Desarrollo S.A.S.	34	(48)	-	14	-	-	-
Gas Comprimido del Perú S.A.	-	-	12,676	1,592	-	(14,268)	-
Total Investments in Subsidiaries	8,740,125	1,783,541	53,089	834,013	(278,298)	(14,268)	11,118,202

(1) On April 30, 2020 Fondo de Capital Privado I made a capital redemption of \$19,690

(2) On July 6, 2020, a purchase and sale agreement of shares of Gas Comprimido del Perú S.A. was executed between Gases del Pacífico S.A.C. (who transferred all the shares to Promigas S.A. E.S.P.) and Corficolombiana S.A., whereby it was agreed to transfer 100% of the shares that the Corporation held in said company. The price of the transaction was defined in USD4,995,069, which contemplates a total of 52,054,757 shares. This transaction was completed on July 13, 2020. This operation generated a profit of \$18,387.

Breakdown of financial information of investments in subsidiaries:

December 31, 2021					
Investments in Subsidiaries	Interest %	Main Domicile	Assets	Liabilities	Profits / (Loss)
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa	38.95%	Colombia	111,776	79,254	2,105
CFC Private Equity Holdings S.A.S.	100.00%	Colombia	45,123	4,114	1,842
CFC Energy Holdings S.A.S.	100.00%	Colombia	6,614	6,466	-27
Colombiana de Licitaciones y Concesiones S.A.S.	100.00%	Colombia	5,134,040	283,357	754,026
Concesionaria Vial de los Andes S.A.	0.25%	Colombia	88,755	17,339	-10,770
Estudios Proyectos e Inversiones de los Andes S.A.	99.98%	Colombia	1,039,942	327,056	-1,567
Estudios y Proyectos del Sol S.A.S.	100.00%	Colombia	7,374,303	3,435,752	-33,761
Fiduciaria Corficolombiana S.A.	94.50%	Colombia	272,120	214,092	13,253
Hoteles Estelar de Colombia S.A.	84.96%	Colombia	791,862	447,564	-23,088
Leasing Corficolombiana S.A.	94.50%	Colombia	45,866	28,696	-22,768
Mavalle S.A.	46.77%	Colombia	45,779	22,964	4,480
Organización Pajonales S.A.	99.72%	Colombia	327,447	93,910	6,087
Plantaciones Unipalma de los Llanos S.A.	54.53%	Colombia	234,798	80,733	25,321
Proyectos y Desarrollos Viales del Oriente S.A.S.	100.00%	Colombia	909	125	-634
Proyectos y Desarrollos Viales del Pacífico S.A.S.	100.00%	Colombia	3,394,677	1,149,496	350,306
Proyectos y Desarrollos Viales del Mar S.A.S.	100.00%	Colombia	282,975	23,253	3,363
Proyectos y Desarrollos Viales del Andino S.A.S.	100.00%	Colombia	18,086	9,924	-2,882
Promotora y Comercializadora Turística Santamar S.A.	84.66%	Colombia	44,696	3,197	1,186
Proyectos de Infraestructura S.A.	88.25%	Colombia	351,362	188,180	124,260
Proyectos de Ingeniería y Desarrollos S.A.S.	100.00%	Colombia	20,563	15,833	1,665
Tejidos Sintéticos de Colombia S.A.	94.99%	Colombia	40,403	11,737	6,432
Valora S.A.	100.00%	Colombia	256,990	44,289	6,549
Concesionaria Vial del Pacífico S.A.S.	89.90%	Colombia	5,523,524	4,149,496	561,647
Promigas S.A.	34.87%	Colombia	14,814,628	9,655,542	1,157,343
Fondo de Capital Privado Corredores Capital I	97.30%	Colombia	482,628	0	482,628
CFC Gas Holding S.A.S.	100.00%	Colombia	877,972	20	54,726
Gestora en Infraestructura y Desarrollo S.A.S.	100.00%	Colombia	444	110	238
Compañía en Infraestructura y Desarrollo S.A.S.	100.00%	Colombia	27	0	-8

December 31, 2020					
Investments in Subsidiaries	Interest %	Main Domicile	Assets	Liabilities	Profits / (Loss)
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa	38.95%	Colombia	55,641	19,910	3,897
CFC Private Equity Holdings S.A.S.	100.00%	Colombia	43,457	4,263	976
CFC Energy Holdings S.A.S.	100.00%	Colombia	6,168	6,043	(21)
Colombiana de Licitaciones y Concesiones S.A.S.	100.00%	Colombia	4,248,306	50,853	666,813
Concesionaria Vial de los Andes S.A.	0.25%	Colombia	101,262	19,077	3,428
Estudios Proyectos e Inversiones de los Andes S.A.	99.98%	Colombia	482,036	53,281	21,219

December 31, 2020					
Investments in Subsidiaries	Interest %	Main Domicile	Assets	Liabilities	Profits / (Loss)
Estudios y Proyectos del Sol S.A.S.	100.00%	Colombia	985,251	157,752	138,348
Fiduciaria Corficolombiana S.A.	94.50%	Colombia	95,394	32,625	13,008
Hoteles Estelar de Colombia S.A.	84.96%	Colombia	717,127	389,804	(31,748)
Leasing Corficolombiana S.A.	94.50%	Colombia	62,958	23,020	(4,871)
Mavalle S.A.	46.77%	Colombia	46,466	27,811	2,683
Organización Pajonales S.A.	99.72%	Colombia	286,255	67,678	3,661
Plantaciones Unipalma de los Llanos S.A.	54.53%	Colombia	197,789	65,199	8,175
Proyectos y Desarrollos Viales del Oriente S.A.S.	100.00%	Colombia	850	34	(761)
Proyectos y Desarrollos Viales del Pacífico S.A.S.	100.00%	Colombia	2,111,540	125,751	305,672
Proyectos y Desarrollos Viales del Mar S.A.S.	100.00%	Colombia	225,699	5,439	1,198
Proyectos y Desarrollos Viales del Andino S.A.S.	100.00%	Colombia	10,410	34	(2,544)
Promotora y Comercializadora Turística Santamar S.A.	84.66%	Colombia	43,279	2,727	(1,024)
Proyectos de Infraestructura S.A.	88.25%	Colombia	263,595	133,583	90,050
Proyectos de Ingeniería y Desarrollos S.A.S.	100.00%	Colombia	18,267	15,196	819
Tejidos Sintéticos de Colombia S.A.	94.99%	Colombia	37,091	10,655	4,703
Valora S.A.	100.00%	Colombia	237,461	30,456	(2,672)
Concesionaria Vial del Pacífico S.A.S.	89.90%	Colombia	3,969,275	3,052,645	366,164
Promigas S.A.	34.87%	Colombia	8,233,222	4,031,599	1,269,493
Fondo de Capital Privado Corredores Capital I	97.30%	Colombia	526,380	-	43,802
CFC Gas Holding S.A.S.	100.00%	Colombia	1,019,889	8,355	46,331
Gestora en Infraestructura y Desarrollo S.A.S.	100.00%	Colombia	184	88	237
Compañía en Infraestructura y Desarrollo S.A.S.	100.00%	Colombia	2	2	(48)

(13) Investments in associates

A detail of the investments in associates is shown below as of December 31, 2021 and 2020:

			December 31, 2021	December 31, 2020
Investments in Associates	Interest %	Capital Stock Value	Investment Value	Investment Value
Aerocali S.A.	50.00%	3,800	8,852	1,844
Colombiana de Extrusión S.A. Extrucol	20.00%	2,208	8,643	7,812
Metrex S.A.	10.31%	3,122	1,241	1,017
Ventas y Servicios S. A.	19.90%	2,985	9,807	8,668
Total			28,543	19,341

December 31, 2021						
Investments in Associates	Interest %	Number of Shares	Cost	Equity Method	Result Equity Method	Investment Value
Aerocali S.A.	50.00%	189,997	7,697	2,417	(1,262)	8,852
Colombiana de Extrusión S.A. Extrucol	20.00%	315,420	1,785	6,404	454	8,643
Metrex S.A.	10.31%	321,782	168	774	299	1,241
Ventas y Servicios S. A.	19.90%	594,034	4,755	659	4,393	9,807
Total investments in associates			14,405	10,254	3,884	28,543

December 31, 2020						
Investments in Associates	Interest %	Number of Shares	Cost	Equity Method	Result Equity Method	Investment Value
Aerocali S.A.	50.00%	189,997	7,697	2,417	(8,269)	1,844
Colombiana de Extrusión S.A. Extrucol	20.00%	315,420	1,785	6,347	(320)	7,812
Metrex S.A.	10.31%	321,782	168	774	75	1,017
Ventas y Servicios S. A.	19.90%	594,034	4,755	659	3,254	8,668
Total investments in associates			14,405	10,197	(5,261)	19,341

As of December 31, 2021 and 2020, investments in equity securities in subsidiaries and associates were not pledged nor were guarantee of financial obligations.

(14) Accounts Receivable, Net

The detail of accounts receivable as of December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Deposits (2)	117,233	93,186
Advance payments to agreements and providers (3)	78,557	44,276
Others (4) (5)	47,957	63,557
Dividends and interest (1)	26,677	33,549
To employees	5,052	3,838

Sales of goods and services	2,525	2,517
To subsidiaries	2,323	1,830
Commissions	1,770	1,066
Fees	1,426	504
Abandoned ordinary savings accounts	763	1,979
Interest	327	321
Leases	42	188
To related parties and associates	-	22
Total trade accounts	284,652	246,833
Impairment of accounts receivable	(2,594)	(6,861)
total other accounts receivable	282.058	239,972

- (1) It mainly includes the allocation of dividends of 2020 and paid on 2021 of subsidiaries and associates.
- (2) Constitution of guarantee deposits for Swaps, Forwards and NDF TES transactions with foreign entities.
- (3) It includes the value of the advance payment of the conditioned donation made to CTIC- Centro de tratamiento e investigación sobre cáncer Luis Carlos Sarmiento Angulo foundation for \$78,250 and \$44,250, respectively, as of December 2021 and 2020.
- (4) it includes the value of the account receivable to Leasing Corficolombiana S.A., for \$20,375 by concept of the CDTs assignment.
- (5) As of December 31, 2021, it corresponds to the legalization of Derivative Financial Instruments and Money Market Positions pending compliance T+1- T+2.

The following is the movement of accounts receivable impairment as of December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Initial balance	(6,861)	(7,571)
Impairment	(36)	(87)
Refund	21	797
Portfolio write-off (1)	4,282	-
Final balance	(2,594)	(6,861)

- (1) As of November 24, 2021, the Corporation's Board of Directors authorized the write-off of accounts receivable from Integración de la Ingeniería Química Mecánica y Afines - QMA, for \$4,282, which was 100% impaired as of May 31, 2016,

(15) Property and Equipment for Own Use, Net

The following is the balance of tangible asset accounts as of December 31, 2021 and 2020.

The Corporation recognizes property and equipment at cost and investment properties at fair value.

Property and Equipment	December 31, 2021	December 31, 2020
Previous balance	37,381	30,105
Purchases or acquisitions (net)	17,065	7,637
Withdrawals / Sales (net)	(5)	(361)
Current balance	54,441	37,381
Cumulative Depreciation:		
Previous balance	(12,255)	(10,035)
Depreciation charged to income	(3,211)	(2,581)
Withdrawals / Sales	2,502	361
Current balance	(12,964)	(12,255)
Net Assets Property and Equipment	41,477	25,126

The following is the detail by type of properties and equipment for own use:

	Cost	Cumulative Depreciation	Book Value
Land	3,207	-	3,207
Buildings	11,907	(1,649)	10,258
Equipment, Furniture and Office Equipment	2,619	(1,767)	852
Computer equipment and networks	14,402	(8,302)	6,100
Vehicles	1,416	(537)	879
Constructions ongoing	3,779	-	3,779
Machinery, plant and equipment under assembly	51	-	51
Balance as of December 31, 2020	37,381	(12,255)	25,126
Land	13,150	-	13,150

Buildings	22,454	(1,939)	20,515
Equipment, Furniture and Office Equipment	2,907	(2,098)	809
Computer equipment and networks	12,268	(8,123)	4,145
Vehicles	1,416	(803)	613
Constructions ongoing	2,245	-	2,245
Machinery, plant and equipment under assembly	2	(2)	-
Balance as of December 31, 2021	54,442	(12,965)	41,477

The Corporation has maintained the necessary measures for the conservation and protection of its assets. As of December 31, 2021 and 2020, there were insurance policies to cover risks of subtraction, fire, earthquake, tremor, riot, rebellion, explosion, volcanic eruption, low voltage, water damage, flooding, property, damages to offices and vehicles. The Corporation has appraisals of its properties not exceeding three years (last appraisals September and December 2020) and there are no mortgages or ownership restrictions thereon, nor have they been assigned as collateral.

(16) Right-to-Use Property and Equipment, Net

The following is the movement of the asset of right-to-use property and equipment as of December 31, 2021:

	Right to use
Balance as of December 31, 2019	659
Depreciation charges	(1,259)
Cost for written-off rights of use	(32)
Increase for new leases	1,854
Balance as of December 31, 2020	1,222
Depreciation charges	(435)
Cost for written-off rights of use	(635)
Increase for new leases	44
Balance as of December 31, 2021	196

Financial Obligations

The following is the detail of movement of lease liabilities as of December 31, 2021:

	Financial Obligations
Lease liabilities as of December 31, 2019	643
Lease payments of the period	(843)
Cost for written-off rights of use	(32)
Increase for new leases	1,854
Relief discount	(46)
Lease liabilities as of December 31, 2020	1,576
Lease payments of the period	(350)
Cost for written-off rights of use	(1,099)
Increase for new leases	44
Interests	52
Lease liabilities as of December 31, 2021	223

As of December 31, 2021 and 2020, there is no movement for IFRS 16 in investment properties.

(17) Investment Properties, net

The following is the movement of Investment Properties during the periods ended on December 31, 2021 and 2020:

Investment Properties	December 31, 2021	December 31, 2020
Previous balance	86,481	86,184
Purchases or acquisitions	970	629
Fair Value Adjustment to Investment Properties (net) (1)	1,421	(318)
Withdrawals / Sales (net)	(279)	(14)
Transfer to Property, Plant and Equipment	(7,166)	
Transfer from Property, Plant and Equipment	3,114	

Current balance	84,541	86,481
Impairment		
Previous balance	50,407	50,644
Impairment Expense	450	684
Refund Fair Value adjustment (Income)	(280)	(921)
Withdrawals/Sales (net)	-	-
Current balance	50,577	50,407
Net balance of Investment Properties	33,964	36,074

(1) As of December 2021 and 2020, the Corporation adjusted its investment properties at a fair value using technical appraisals, which generated a net income of \$1,103 in the income statement, respectively[sic].

As of December 31, 2021 and 2020, there are no mortgages or domain reserves, thereon, and they have not been assigned as collateral.

(18) Income Tax

a. Breakdown of the income tax expense:

The income tax expense for the years ended on December 31, 2021 and 2020 includes the following:

	December 31, 2020 [sic]	December 31, 2020
Current income tax	-	2,013
Income tax Surcharge	-	336
Excess (recovery) current tax of previous years	22	(459)
Subtotal of current taxes	22	1,890
Net deferred taxes for the period	10	57
Subtotal of deferred taxes	10	57
Total income tax	32	1,947

b. Reconciliation of the tax rate in accordance with the tax provisions and the effective rate:

The current tax provisions applicable to the Corporation provide that in Colombia:

- As provided in the Economic Growth Law 2010/2019, the income tax rate for the years 2020 and 2021 is 32% and 31%, respectively. Additionally, for financial institutions obtaining in the period taxable revenues equal to or exceeding 120,000 UVT, some additional points of the income tax of 4% for the year 2020 and 3% for the year 2021 are applicable.
- With the Economic Growth Law 2010/2019, presumptive income tax is reduced to 0.5% of net equity on the last day of the immediately preceding taxable year in the year 2020, and 0% from the year 2021.
- In accordance with the provisions of Law 2155/2021 through which the Social Investment Law was enacted, the income tax rates applicable as of 2022 were modified as follows:

Taxable year	Income tax rate	Additional points *	Nominal rate
2022 to 2025	35%	3%	38%
2026 and following	35%	0%	35%

- Applicable to financial institutions with taxable income greater than 120,000 UVT.
- Pursuant the regulations in force, the possibility of taking 50% of the industry and commerce, notices and boards tax actually paid in the taxable year or period as a discount on the income tax is maintained.
- For the taxable periods 2020 and 2021, the audit benefit is maintained for taxpayers who increase their net income tax for the taxable year in relation to the net income tax for the immediately preceding year by at least 30% or 20%, whereby the income tax return will become final within 6 or 12 months following the date of submission, respectively.
- With the Social Investment Law 2155/2021, the period of firmness of the income tax and complementary taxes return of the taxpayers who determine or offset tax losses or are subject to the transfer pricing regime, will be 5 years.
- Tax losses can be offset with ordinary net income obtained in the following 12 taxable years.
- Excesses of presumptive income can be offset in the following 5 taxable years.
- Windfall earnings are taxed at the rate of 10%.

According to IAS 12 paragraph 81 letter (c), the following is the detail of the reconciliation between the Corporation's total income tax expense calculated at the current tax rates and the tax expense actually recorded in the income statement of the period of the years ended on December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Earnings before income tax	1,715,708	1,656,918
Theoretical tax expense: at a rate of 31% (2021) - 36% (2020)	531,870	596,490

Plus or (less) taxes increasing (decreasing) the theoretical tax:

Non-deductible expenses	91,953	58,881
Excess presumptive income not generating deferred taxes	(9,384)	3,020
Tax losses not generating deferred tax	-	31,568
Dividends received not constituting income	(43,491)	(26,868)
Equity method revenues not constituting income	(601,710)	(637,183)
Interest and other non-taxed income	(115)	(6,619)
Effect of deferred tax due to changes in tax rates	10	(164)
Adjustment for previous periods	22	(459)
Temporary deductible differences on which no deferred income was calculated	30,860	(15,864)
Tax discount	-	(671)
Other items	17	(184)
Total expense for income tax of the period*	32	1,947

* The total corresponds to the income tax expense calculated by occasional profits plus the deferred tax expense calculated as occasional profits and income adjustments for previous periods.

c. Deferred tax regarding investments in subsidiaries, associates and joint businesses

In compliance with paragraph 39 of IAS 12, the Corporation did not record passive deferred taxes related to the temporary differences of investments in subsidiaries and associates, given that: i) The Corporation bears control over the subsidiaries and the decision of sale of its investments in associates; therefore, it may decide on the reversion of such temporary differences; and ii) the Corporation does not intend their realization in a foreseeable future.

The temporary differences by the indicated items as of December 31, 2021 and 2020, amounted to \$6,625,378 and \$5,419,485, respectively.

d. Deferred tax by type of temporary difference:

Differences between the bases of assets and liabilities for NCIF purposes and the bases thereof for tax purposes give rise to temporary differences that generate deferred taxes calculated and recorded for the years ended on December 31, 2021 and 2020, based on the tax rates currently in force for the years in which said temporary differences will be reversed.

	Balance as of December 31, 2020	Effect in results	Balance as of December 31, 2021
Property, plant and equipment and investment properties	(2,258)	(10)	(2,268)
Total Deferred Tax Liability	(2,258)	(10)	(2,268)

	Balance as of December 31, 2019	Effect in results	Balance as of December 31, 2020
Property, plant and equipment and investment properties	(2,201)	(57)	(2,258)
Total Deferred Tax Liability	(2,201)	(57)	(2,258)

For purposes of presentation in the Statement of Financial Position, the Corporation offset the deferred tax assets and liabilities as provided in paragraph 74 of IAS 12, considering the application of the current tax provisions in Colombia regarding the legal right to offset current tax assets and liabilities.

e. Deferred tax assets not recognized

Deferred tax assets are recognized to the extent the realization of the same is probable through future tax benefits. As of December 31, 2021, the company has not recognized deferred tax assets over tax losses and excess presumptive income by not having enough evidence to demonstrate their recovery possibility with future tax benefits.

As of December 31, 2021 and 2020, the following is the detail of tax losses and excess presumptive income that have not been used and on which the Corporation has not recorded deferred tax assets due to the uncertainty of their recovery.

	December 31, 2021	December 31, 2020
Tax Losses expiring on:		
December 31, 2029	167,903	171,858
December 31, 2030	120,359	123,829
December 31, 2031	157,381	157,381
December 31, 2032	-	87,689
With no maturity date	325,247	325,247
Subtotal tax losses	770,890	866,004
Excess presumptive income expiring on:		
December 31, 2021	-	58,997
December 31, 2022	46,491	46,491
December 31, 2023	43,508	43,508
December 31, 2024	23,732	23,732
December 31, 2025	8,452	8,388
Subtotal excess presumptive income	122,183	181,116
Total tax credits	893,073	1,047,120

f. Effect of current and deferred taxes on each component of the account of other comprehensive income in equity:

The effects of current and deferred taxes on each component of the account of other comprehensive income are detailed as follows:

Concept	December 31, 2021		December 31, 2020	
	Amount before taxes	Net	Amount before taxes	Net
Net unrealized profit from investments in hedging derivatives	(2,339)	(2,339)	(1,430)	(1,430)
Exchange difference in translation of foreign operations	-	-	(14,503)	(14,503)
Unrealized profit (loss) on investments available for sale	201,274	201,274	35,858	35,858

Unrealized net profits (loss) on equity instruments at fair value	69,817	69,817	310,720	310,720
Subtotal	268,752	268,752	330,645	330,645
Items not to be reclassified in results				
Actuarial losses on employee benefit plans	(79)	(79)	(149)	(149)
Subtotal	(79)	(79)	(149)	(149)
TOTAL	268,673	268,673	330,496	330,496

g. Uncertainties in tax positions:

From January 1, 202 and by Decree 2270/2019, IFRIC Interpretation 23 - *Uncertainty over Income Tax Treatments* was adopted for purposes of Group I local financial statements, which clarifies when the recognition and measurement criteria of IAS 12 - *Income Taxes* are applied, in the event that there is uncertainty over income tax treatments.

Corficolombiana has been applying IFRIC 23 early on uncertainties over positions adopted for the purpose of determining income tax, which may not be accepted by the tax authority in the event of a review. Consequently, as of December 31, 2021 and 2020, the Corporation has no tax uncertainties that generate a provision for said concept, taking into account that the process of income and supplementary tax is regulated under the current tax framework. Therefore, there are no risks that may imply an additional tax obligation.

h. Transfer pricing

In compliance with the provisions of Laws 1607/2012 and 1819/2016, regulated by Decree 2120/2017, the Corporation prepared a transfer pricing study on the operations held with economic related parties abroad during the taxable year 2020. The study did not give rise to adjustments that affect the tax revenues, costs and expenses of the Corporation.

Although the transfer pricing study of 2021 is being prepared, no significant changes are anticipated in connection with the previous year.

(19) Other Assets, net

The following is the detail of other assets as of December 31, 2021 and 2020:

Other assets, net	December 31, 2021	December 31, 2020
Industry and commerce tax	1	1
Prepaid expenses	1,213	-
Art and cultural assets	380	380
Equity investments in entities in liquidation (1)	58,558	79,564
Total	60,152	79,945
Investment impairment (2)		
Industrias Lehner S.A. in liquidation	(25,076)	(25,076)
Pizano S.A.	(17,385)	(17,385)
Promotora de Inversiones Ruitoque S. A. (Promisión)	(670)	(670)
Total Other Assets, net	17,021	36,814
	December 31, 2021	December 31, 2020

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(1) Equity investments in entities in liquidation		
Leasing Corficolombiana S.A. in liquidation (a)	15,400	36,433
Industrias Lehner S.A. in liquidation (b)	25,076	25,076
Pizano S.A. (c)	17,385	17,385
Promotora de Inversiones Ruitoque S. A. (Promisión) (d)	670	670
Compañía de Infraestructura y Desarrollo S.A.S.	27	-
Total	58,558	79,564
<hr/>		
(2) Investment impairment		
Industrias Lehner S.A. in liquidation (b)	(25,076)	(25,076)
Pizano S.A. (c)	(17,385)	(17,385)
Promotora de Inversiones Ruitoque S. A. (Promisión) (d)	(670)	(670)
Total Equity investments in entities in liquidation	15,427	36,433
<hr/>		

(a) On December 20, 2019 by means of resolution No. 1749, clarified by resolution 1767 of December 26, 2019, the Finance Superintendence of Colombia authorized the early dissolution and voluntary liquidation of Leasing Corficolombiana S.A. Main variation between 2020 and 2021 corresponds to the payment of \$11,431 to Banco de Bogota and due to new provisions made on 2021, which caused a greater value in the company's loss.

(b) On September 8, 2017, the Shareholders Assembly of Industrias Lehner S.A. declared the company as dissolved and in liquidation.

(c) Having assessed the results of Pizano S.A. as of December 31, 2017, the company shareholders in assembly held on January 29, 2018, decided to authorize management to request before the Superintendence of Companies the admission for a bankruptcy process in the terms of Law 1116/2006; the foregoing determination was adopted in order to protect the assets of the company, preventing their impairment and in this way favoring the payment of the existing liabilities.

Having made the request by the legal representative, the Superintendence of Companies in a writ notified on February 14, 2018 admitted the company for a bankruptcy process.

The liquidator of Pizano presented the financial statements as of August 31, 2018, yielding a net negative asset of \$60,988; due to this impact 100% of the investment was impaired.

(d) On December 10, 2018, the general shareholders assembly of Promotora de Inversiones Ruitoque S.A. approved the early dissolution of the company.

(20) Deposits and Current Liabilities

The following is the detail of customer deposits and current liabilities as of December 31, 2021 and December 31, 2020:

	December 31, 2021	December 31, 2020
<hr/>		
By nature		
Savings accounts	628,037	510,166
Other funds on demand	92,610	78,062
Total on demand	720,647	588,228
Total term deposit certificates	4,637,067	4,364,431
Total	5,357,714	4,952,659
<hr/>		

The following are the minimum and maximum collection rates on customer deposits:

	December 31, 2021		December 31, 2020	
	Local Currency		Local Currency	
	Minimum Rate	Minimum Rate	Minimum Rate	Minimum Rate
Savings accounts	1.00%	3.20%	1.00%	2.25%
Term deposit certificates	1.15%	10.05%	1.50%	8.80%

The following are the customer deposits by economic sector:

Sector	December 31, 2021	December 31, 2020
Financial	3,427,979	3,134,999
Others	1,228,802	919,420
Colombian government or governmental entities	290,266	377,041
Education	104,361	365,236
Agricultural and livestock	82,870	51,208
Service	77,276	38,558
Trade	69,033	12,591
Individuals	67,224	50,677
Real Estate	8,959	2,414
Manufacturing	531	123
Tourism	413	392
Total	5,357,714	4,952,659

Expiration of term deposit certificates:

	December 31, 2021	December 31, 2020
Up to one year	1,881,173	1,953,984
More than one year to two	882,837	831,582
More than two years to three	401,798	337,932
More than three years to four	161,417	115,567
More than four years	1,309,842	1,125,366
Total	4,637,067	4,364,431
Total Customers	413	537

(21) Passive Positions in Money Market Transactions

The following is the detail of the money market operations obtained by the Corporation in the short term with the main purpose of financing its operations:

	December 31, 2021		December 31, 2020	
	Value	Average return	Value	Average return
Local currency				

Ordinary interbank funds acquired	385,299	2.99%	102,205	1.76%
Repo operations	1,508,312	2.32%	819,366	1.90%
Simultaneous operations	2,126,325	2.96%	1,324,818	1.72%
Commitments originated on short positions	503,798	2.95%	144,206	1.71%
Subtotal local currency	<u>4,523,734</u>		<u>2,390,595</u>	
Foreign banks				
Repo operations	<u>336,819</u>	1.00%	253,973	1.00%
Subtotal foreign currency	<u>336,819</u>		<u>253,973</u>	
Total passive positions in money market transactions	<u>4,860,553</u>		<u>2,644,568</u>	

The following is a summary of the effective interest rates generated on financial obligations and money market operations:

	December 31, 2021		December 31, 2020	
	Minimum rate	Maximum rate	Minimum rate	Maximum rate
In Colombian pesos				
Ordinary interbank funds acquired	2.52%	3.00%	1.74%	1.78%
Repo operations	1.75%	3.00%	1.75%	2.50%
Simultaneous operations	-0.50%	3.15%	1.70%	1.74%
Commitments originated on short positions				
In foreign currency				
Repo operations	0.77%	0.99%	0.82%	1.95%

The following is a summary of the maturities of passive money market positions:

December 31, 2021	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Total
Banco Falabella S.A.	12,600	-	-	12,600
Banco W S.A.	5,000	-	-	5,000
Bancolombia Panamá S.A.	-	126,510	37,781	164,291
Bancolombia Puerto Rico	-	37,213	-	37,213

Banco Finandina S.A.	6,300	-	-	6,300
Banco Davivienda Panamá S.A.	-	-	75,953	75,953
Banco de Comercio Exterior Bancoldex S.A.	23,000	-	-	23,000
Mi Banco de la Microempresa De Colombia S.A.	3,000	-	-	3,000
Financiera de Desarrollo Territorial Sa Findeter	89,713	-	-	89,713
Cámara de Riesgo Central de Contraparte de Colombia	2,861,326	-	-	2,861,326
Banco de la República	413,413	-	751,952	1,165,365
Banco Santander N.Y.	37,801	-	44,739	82,540
Macquarie Group	167,752	-	-	167,752
BBVA Madrid	-	17,380	53,668	71,048
Compañía De Seguros Bolivar S.A	34,977	-	-	34,977
BTG Pactual S.A. Comisionista De Bolsa	59,917	-	-	59,917
Casa De Bolsa S.A. Soc. Comisionista De Bolsa	558	-	-	558
Total	3,715,357	181,103	964,093	4,860,553

December 31, 2020	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Total
Banco Falabella S.A.	3,700	-	-	3,700
Banco de Comercio Exterior Bancoldex S.A.	30,001	-	-	30,001
BNP Paribas Colombia Corporación Financiera S.A.	5,500	-	-	5,500
Mi Banco de la Microempresa de Colombia S.A.	3,000	-	-	3,000
BTG Pactual S.A. Comisionista de Bolsa	27,519	-	-	27,519
Banco de la República	152,156	166,474	500,736	819,366
Finagro	-	13,001	-	13,001
Banco Bilbao Vizcaya Argentaria Madrid	43,038	-	-	43,038
Banco Santander N.Y.	23,613	-	68,045	91,658
Cámara de Riesgo Central de Contraparte de Colombia S.A.	1,441,505	-	-	1,441,505
Financiera De Desarrollo Territorial S.A. Findeter	47,002	-	-	47,002
Macquarie Bank Limited	-	84,552	34,726	119,278
Total	1,777,034	264,027	603,507	2,644,568

(22) Outstanding Investment Securities

The following is the detail and characteristics of the issue of the general guarantee bond of Corficolombiana S.A.:

December 31, 2021							
Series	Awarded Rate	Term	Awarded Amount	Interests	Total	Issue date	Maturity date
A1 Series	CPI+2.16%	3 years	101,400	649	102,049	08/27/2019	08/27/2022
A2 Series	CPI +3.07%	10 years	97,400	707	98,107	08/27/2019	08/27/2029
A3 Series	CPI +3.90%	20 years	301,200	2,423	303,623	08/27/2019	08/27/2039
A5 Series	CPI +2.90%	5 years	100,000	1,468	101,468	10/20/2021	10/20/2026
A12 Series	CPI +4.15%	12 years	400,000	6,856	406,856	10/20/2021	10/20/2033
Total			1,000,000	12,103	1,012,103		

December 31, 2020							
Series	Awarded Rate	Term	Awarded Amount	Interests (*)	Total	Issue date	Maturity date
A1 Series	CPI+2.16%	3 years	101,400	379	101,779	08/27/2019	08/27/2022
A2 Series	CPI+3.07%	10 years	97,400	447	97,847	08/27/2019	08/27/2029
A3 Series	CPI+3.90%	20 years	301,200	1,617	302,817	08/27/2019	08/27/2039
Total			500,000	2,443	502,443		

The following is a detail of the maturities of outstanding bond obligations:

	December 31, 2021	December 31, 2020
2021	12,103	2,442
2022	101,400	101,400
2026	100,000	-
2029	97,400	97,400
2033	400,000	-
2039	<u>301,200</u>	<u>301,201</u>
Total	<u>1,012,103</u>	<u>502,443</u>

(23) Accounts Payable

The following is the detail of accounts payable and other liabilities as of December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Commissions and fees	-	133
Dividends and surpluses	1,633	2,005
Providers, services payable and other accounts payable	7,116	4,055
Labor withholdings and contributions	3,096	1,309
Sales tax payable	1,165	1,577
Leases	524	742
Fines and sanctions (1)	20,282	-
Other accounts payable (2)	13,370	30,761

TOTAL ACCOUNTS PAYABLE	47,186	40,582
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(1) It corresponds to balance payable in favor of Superintendence of Industry and Trade under the payment agreement granted in resolution 38510 of June 23, 2021. (See note 26).

(2) As of December 31, 2021 and 2020 it corresponds to the legalization of Derivative Financial Instruments and Money Market Positions pending of compliance T+1 – T+2.

(24) Employee Benefits

Under the Colombian labor law, the various employees of the Corporation are entitled to short-term benefits such as: salaries, holidays, legal and extralegal bonuses, severance payments and interest on severance payments and to long-term benefits such as: extralegal seniority premiums (five-year periods), and retirement benefits such as legal and extralegal retirement pensions.

The following is a detail of the balances of provisions for employee benefits as of December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Short-term benefits	8,412	6,640
Employee retirement benefits	1,585	1,826
Long-term benefits	2,398	3,075
Total	12,395	11,541

Employee retirement benefits:

In Colombia, retirement pensions when employees retire after reaching certain age and service levels are assumed by public or private pension funds based on defined contribution plans where companies and employees make monthly contributions defined by the law to have access to the pension upon the employee's retirement.

A person (woman) is part of the actuarial calculation when she receives a pension from the Corporation. The actuarial calculation is fully amortized.

The following is a breakdown of employee retirement benefits and long-term benefits as of December 31, 2021 and 2020:

	Pension Plan		Other Benefits	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Balance as of the beginning of the period	1,826	1,827	3,076	2,828

Balance as of the beginning of the restated period	1,826	1,827	3,076	2,828
Costs incurred in the period	-	-	233	212
Interest costs	85	94	123	144
Subtotal costs	85	94	356	356
Exchange (earning)/loss in interest rates	(158)	34	(501)	143
Actuarial assumptions loss	79	114	114	253
Subtotal profit - loss	(79)	148	(387)	396
Payments to employees	(247)	(243)	(647)	(504)
Balance at the end of the period	1,585	1,826	2,398	3,076

The variables used to calculate the forecasted obligation of the different employee retirement and long-term benefits are shown below:

	December 31, 2021	December 31, 2020
Discount rate	7.0%	5.0%
Inflation rate (*)	3.0%	3.0%
Salary increase rate	4.0%	4.0%
Pension increase rate	3.0%	3.0%
Employee turnover rate	0.0%	0.0%
Total	17.0%	15.0%

(*) The average inflation target of the Central Bank of Colombia is used:

The expected life of employees is calculated based on mortality tables published by the Finance Superintendence of Colombia, which have been constructed based on the mortality experiences provided by different insurance companies operating in Colombia.

The sensitivity analysis of the liability for retirement benefits to employees of the different financial and actuarial variables is the following, keeping all other variables constant:

Sensitivity of actuarial calculations

December 31, 2021

Other benefits	Change in variable	Increase in variable	Decrease in variable
Discount rate	-50bp and +50bp	2,344	2,455
Salary increase rate	-50bp and +50bp	2,469	2,330

Pensions

Discount rate	-50bp and +50bp	1,550	1,622
Salary increase rate	-50bp and +50bp	1,620	1,551

December 31, 2020

Other benefits	Change in variable	Increase in variable	Decrease in variable
Discount rate	-50bp and +50bp	3,002	3,153
Salary increase rate	-50bp and +50bp	3,153	3,002
Pensions			
Discount rate	-50bp and +50bp	1,780	1,875
Salary increase rate	-50bp and +50bp	1,871	1,782

Sensibilities: It refers to the value of the actuarial reserve (OBD for Defined Benefit Obligation) in millions of pesos, when amending any calculation assumption as to the scenario selected. The sensibility was performed on two variables:

- “Salary increase”. When incrementing the wage rate in 50 basic points (meaning 0.5%) the liabilities increase, since financing a more expensive benefit that the assumed means a greater reserve.
- “Discount rate”. The variation in this case is contrary because we are evaluating a present value: If the investment rate increases, the liabilities decrease and vice versa.

Long-term employee benefits:

The Corporation grants its employees seniority premiums during their employment history depending on the number of service year, every ten, fifteen and twenty years, etc. calculated as wage days (between 30 and 90 days) each payment.

(25) Other provisions

The following is the detail of the provisions as of December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Contributions, affiliations and transfers	6,741	6,268
Human resources	1,781	1,854
Others (*)	1,247	29,203
Total	9,769	37,325

(*) As of December 31, 2020, it includes the provision in favor of the Superintendence of Industry and Commerce for \$27,782 million, equivalent to 50% of the amount provided in resolution 82510 dated December 28, 2020. (See note 26)

(26) Contingencies

The Corporation, for the period ended on December 31, 2021 has provisions on legal contingencies and had no provisions on legal contingencies. The legal processes are not classified by the lawyers as remote.

The most relevant proceedings for the Corporation are described below:

- On December 6, 2018, the Administrative Court of Cundinamarca enacted a first instance decision within the class actions promoted by the General Attorney's Office against Concesionaria Ruta del Sol S.A.S., Episol S.A.S. and other natural and legal entities. The decision declared the defendants joint and severally liable for the damages caused to the collective interests invoked and were sentenced to the payment of \$800,156 in favor of the Nation-Ministry of Transportation and it also declared them disabled for a term of ten years to propose and execute agreements with the Colombian state entities and to exercise public positions.

The Administrative Court of Cundinamarca, by means of writ dated February 8, 2019, when deciding on some correction requests of the decision submitted by the defendants, amended the amount of the sentence reducing it to \$715,656.

To date, said decision is not in force since the defendants, among which is Episol S.A.S., promptly filed an appeal, which was admitted and is pending decision. By writ dated February 14, 2020, the Council of State ruled in relation to the effects of the appeal, specifying that the provisions of the first instance decision in relation to the delivery of money or other assets and the provisions in relation to the inability to contract with state entities

would only become enforceable in the event that a duly enforceable second instance ruling confirming the appealed decision is issued.

In the opinion of the attorneys and legal counsel there is a high possibility of revocation or amendment of the decision by the Council of State, regarding Episol S.A.S., by reason of the several substantial and procedural defects contained therein, so they have classified this contingency as probable and that is why no provision has been constituted.

- Corficolombiana S.A. and Estudios y Prouectos del Sol S.A.S. recognized, as of December 31, 2020, a provision amounting to \$27,782 and \$16,913, respectively, corresponding to the sanction imposed in development of the investigation and formulation of charges filed on September 2018 by the Superintendence of Industry and Commerce due to the corruption scandal of Odebrecht. The sanction that was not in force on that date, was imposed by resolution 82510 dated December 28, 2020 under the following terms:

i) Declared that Constructora Norberto Odebrecht S.A., Odebrecht Participaciones e Invetimentos S.A., Corficolombiana S.A., Episol S.A.S. Concesionaria Ruta del Sol S.A.S. en Liquidación and Gabriel Ignacio Garcia, among other natural persons, violated free competition for having incurred the agreement provided in number 9 of art. 47 of Decree 2153/1992 and in the general prohibition provided in art. 1 of Law 155/1959.

ii) As a consequence of the above statement, it imposed fines to each of the abovementioned companies. To Corficolombiana S.A, \$55,564 and to Episol S.A.S., \$33,826.

Considering that the resolution insisted on ignoring the evidence that in due time was provided to the investigation, the arguments presented by Corficolombiana and Episol, and even incorporated elements that were not part of the initial charges, a motion for reconsideration was filed against said resolution, reason for which as of December 31, 2020, said administrative act was not final.

The Corporation and Episol consider that there were sufficient legal and evidentiary elements that by law merit the revocation of the sanction. Notwithstanding the foregoing, considering that the motion for reconsideration would be decided by the same officer who made the decision, the legal counsel's opinion qualified the sanction as probable, suggesting that it would be reduced to 50%, for which reason said amount was provisioned.

As of June 30, 2021, in compliance with the provisions of Resolution 30343 of May 2021, which confirmed the fines of \$55,564 to Corficolombiana and \$33,827 to Episol, imposed in Resolution 82510 of December 2020 issued by the Superintendence of Industry and Commerce, these companies proceeded to pay the amount of \$16,675 and \$10,148, respectively, equivalent to 30% of the value of the penalty, and requested an agreement or payment facility for the cancellation of the respective balance.

By means of Resolutions 37764 and 38510 of June 21 and 23, 2021, respectively, the Superintendence of Industry and Commerce approved the requested payment agreements; in the mentioned resolutions it was established that the balance of the fines will be paid in four quarterly installments starting on September 9, 2021.

Pursuant to the foregoing and since these are obligations that have already materialized, Corficolombiana and Episol have recognized an actual liability in their financial statements as of December 31, 2021, in the case of Corficolombiana for \$20,282 and Episol for \$12,686, amounts that correspond to the balance of the penalty subject of the payment agreements.

Corficolombiana and Episol, exercising their right to go before the administrative contentious jurisdiction, filed a lawsuit in the exercise of the means of control of nullity and reinstatement of rights against resolutions 82510/2020 and 30343/2021 issued by the Superintendence of Industry and Commerce.

In any case, and in the event that the revocation or reduction of the fine is not obtained, the Corporation and Episol reserve the right to resort to jurisdictional stages to challenge the SIC accusation and achieve the reinstatement of their rights.

(27) Subscribed and paid capital

Number of authorized, issued and outstanding shares:

	December 31, 2021	December 31, 2020
Number of authorized, issued and outstanding shares	400,000,000	400,000,000
Number of Subscribed and Paid shares	341,499,908	324,060,366
Total shares	341,499,908	324,060,366
Subscribed and paid capital (1)	3,415	3,241
Issue premium (2)	5,370,329	4,822,898

The following is the detail of the subscribed and paid shares per classification:

Concept	December 31, 2021	December 31, 2020
Common shares	323,436,106	306,642,525
Preferred shares (3)	18,063,802	17,417,841
Total issued shares	341,499,908	324,060,366
Par value of share (in pesos)	10	10

(1) On March 18, 2021, 16,793,581 common shares and 645,961 preferred shares were recorded in the stock ledger corresponding to the profit sharing proposal approved by the general shareholders assembly on March 26, 2021.

- (2) On May 18, 2021, the issue premium was recorded for \$547,431 corresponding to the profit sharing proposal approved by the general shareholders assembly on March 26, 2021.
- (3) The Corporation has evaluated the non-voting preferred shares issued as of the cut-offs submitted in these financial statements and it has concluded that those shares have no characteristics of financial liabilities and therefore, they are recognized as greatest value of the equity.

Reserves	December 31, 2021	December 31, 2020
Legal reserve	41,810	41,810
Occasional reserves	3,439,432	2,475,416
Total	3,481,242	2,517,226

On March 26, 2021, the general shareholders assembly approved the profit sharing project and it was distributed as follows:

December 31, 2020		December 31, 2019
Earnings from immediately preceding period		1,566,307
Dividends paid in stock	<p><u>Common Shares:</u> The payment of shares was done on May 18, 2021 to those entitled to receive it when becoming payable in accordance with current regulations.</p> <p>For this purpose a total of 16,793,581 new common shares were issued. The unit value of shares delivered corresponded to the weighted average price of the common shares negotiated as of February 18, 2021, \$31,400.19.</p>	<p><u>Common Shares:</u> The payment of shares was done on July 10, 2020 to those entitled to receive it when becoming payable in accordance with current regulations.</p> <p>For this purpose a total of 26,729,581 new common shares were issued. The unit value of shares delivered corresponded to the closing price of the common shares as of March 24, 2020, \$21,960.</p>
	<p><u>Preferred Shares:</u> The payment of the shares was done on July 10, 2020 to those entitled to receive it when becoming payable in accordance with current regulations.</p> <p>For this purpose a total of 645,961 new preferred shares were issued. The unit value of shares delivered corresponded to the weighted average price of the preferred shares negotiated as of February 18, 2021, \$31,400.19 (cop).</p>	<p><u>Preferred Shares:</u> The payment of the shares was done on July 10, 2020 to those entitled to receive it when becoming payable in accordance with current regulations.</p> <p>For this purpose a total of 718,407 new preferred shares were issued. The unit value of shares delivered corresponded to the closing price of the preferred shares as of March 24, 2020, \$23,800. (Cop)</p>

Dividends decreed in shares, paid in cash	<p><u>Common Shares:</u> Dividend decreed on common shares of \$98,842, which were paid in cash per request of the shareholders that opted for this alternative or kept silent, on a total of 3,147,828 common shares. The unit value of the shares delivered corresponded to the weighted average price of common shares negotiated as of February 18, 2021 \$31,400.19 (cop).</p> <p><u>Preferred Shares:</u> Dividend decreed in preferred shares of \$15,284 that were paid in cash per request of the shareholders that opted for this alternative or kept silent, on a total of 486,747 preferred shares. The unit value of the shares delivered corresponded to the weighted average price of preferred shares negotiated as of February 18, 2021, \$31,400.19 (cop).</p>	<p><u>Common Shares:</u> Dividend decreed on common shares of \$151,989, which were paid in cash per request of the shareholders that opted for this alternative or kept silent, on a total of 6,921,155 common shares. The unit value of the shares delivered corresponded to the closing price of common shares as of March 24, 2020 \$21,960. (Cop)</p> <p><u>Preferred Shares:</u> Dividend decreed in preferred shares of \$26,988 that were paid in cash per request of the shareholders that opted for this alternative or kept silent, on a total of 1,133,967 preferred shares. The unit value of the shares delivered corresponded to the closing price of preferred shares as of March 24, 2020, \$23,800. (Cop)</p>
Common shares outstanding	323,436,106	306,642,525
Preferred shares outstanding	18,063,802	17,417,841
Total shares outstanding	341,499,908	324,060,366
Total Cash Dividends	114,126	178,977

(28) Management of Capital

The technical capital cannot be less than nine percent (9%) of the assets in domestic and foreign currency weighted by risk level, as indicated in article 2.1.1.1.2 of Decree 2555/2010. Individual compliance is verified on a monthly and quarterly basis consolidated with its financial subordinates.

The classification of risk assets in each category is carried out by applying the percentages determined by the Financial Superintendence for each of the asset items, contingent accounts, businesses and fiduciary accounts established in the Single Catalogue of Financial Information. As of 30 January 2002, market risks are also included as part of the risk-weighted assets.

At December 31, 2021 and 2020, the solvency ratio achieved by the Corporation was:

Solvency ratio	December 31, 2021	December 31, 2020
Assets weighted by level of risk	15,343,983.63	12,972,765.00
Market risk (VeR)	2,175,461.20	1,912,266.00
Operating Risk (VeRRo)	2,023,508.18	0.00
	19,542,953.01	14,885,031.00

Technical equity	10,136,515.47	5,334,311.00
Total solvency ratio	51.87%	35.84%

(29) Equity Method, Net

For the years ended on December 31, 2021 and 2020, the Corporation recognized in the income statement the following share in the profit (loss) of its subsidiaries and associates:

Equity Method	December 31, 2020	December 31, 2019
Colombiana de Licitaciones y Concesiones S.A.S. (1)	754,026	666,813
Proyectos y Desarrollos Viales del Pacífico S.A.S.	449,089	305,673
Promigas S.A.	400,033	390,967
CFC Gas Holding S.A.S.	121,396	118,644
Proyectos de Infraestructura S.A. (2)	110,263	79,471
Fondo de Capital Privado Corredores Capital I	62,249	60,839
CFC Private Equity Holdings S.A.S.(3)	58,570	3,993
Aerocali S.A.	16,847	(10,803)
Plantaciones Unipalma de los Llanos S.A.	13,750	4,458
Fiduciaria Corficolombiana S.A.	12,524	12,292
Valora S.A.	6,335	(2,672)
Tejidos Sintéticos de Colombia S.A.	6,109	4,467
Organización Pajonales S.A.	5,905	3,651
Mavalle S.A.	2,088	1,255
Colombiana de Extrusión S.A. Extrucol	1,686	942
Proyectos de Ingeniería y Desarrollos S.A.S.	1,665	819
Ventas y Servicios S. A.	1,139	847
Promotora y Comercializadora Turística Santamar S.A.	1,004	(867)
Casa de Bolsa S.A. Sociedad Comisionista de Bolsa	820	1,517

Gestora de Infraestructura y Desarrollo S.A.S.	238	96
Metrex S.A.	224	29
Proyectos y Desarrollos Viales del Mar S.A.S.	-	1,198
Proyectos y Desarrollos Viales del Oriente S.A.S.	-	(761)
Compañía de Infraestructura y Desarrollo S.A.S.	(8)	(48)
Concesionaria Vial de los Andes S.A.	(27)	9
CFC Energy Holdings S.A.S.	(27)	(20)
Estudios Proyectos e Inversiones de los Andes S. A.	(955)	21,216
Proyectos y Desarrollos Viales Andinos S.A.S.	(2,882)	(2,545)
Leasing Corficolombiana S.A. in liquidation (4)	(21,033)	(4,604)
Hoteles Estelar de Colombia S.A.	(21,319)	(25,271)
Estudios y Proyectos del Sol S.A.S.	(38,710)	138,347
Total	1,940,999	1,769,952

(1) Colombiana de Licitaciones y Concesiones S.A.S.: It is mainly due to the increase for greater work progress in Concesionaria Vial del Oriente and for variation of Trm,

(2) Proyectos de Infraestructura S.A.: Increase in calculation of deferred tax due to change in rate year 202, increase in the value of the profit due to the increase in the collection year 2021 due to the world pandemic in year 2020 and increase in rates year 2021.

(3) CFC Private Equity Holdings S.A.S: Recognition of the equity method mainly in Covipacifico; recording of results, taking into account that fees, exchange difference, financial yields, taxes are recorded there.

(4) Leasing Corficolombiana S.A. in liquidation: The variation in the loss for leasing from year 2020 to year 2021 corresponds mainly to the provisions made for indemnities to Bancos de Bogotá S.A. and Banco de Occidente S.A., a provision was also made for the effects of Legal Adequate Reserve that must be made by companies in liquidation process..

As of December 31, 2021, no material situations arising from the effects of Covid-19 affecting the financial statements of investments measured by the equity method were identified.

(30) Dividends and Shares

The Corporation recognized the following dividends in the income statement for the years ended on December 31, 2021 and 2020:

Dividends	December 31, 2021	December 31, 2020
Grupo de Energía de Bogotá S.A. E.S.P. (1)	129,757	66,542

Mineros S.A.	5,745	4,314
Bolsa de Valores de Colombia S.A.	2,828	1,021
Fiduciaria de Occidente S.A.	1,886	1,594
Cámara de Riesgo Central de Contraparte de Colombia S.A.	49	27
Banco Comercial AV. Villas S.A.	19	27
Bladex S.A.	6	9
Gas Natural S.A. E.S.P.	-	1,042
Cámara de Compensación de Divisas de Colombia S.A.	-	74
Total	140,290	74,650

(1) The increase corresponds to ordinary dividends declared from 2020 profits in the amount of \$84,603 in March 2021 and an extraordinary dividend from the release of reserves in the amount of \$45,153 in September 2021..

(31) Interest Expenses, net

The following is a breakdown of revenues and expenses for interests for the years ended as of December 31, 2021 and 2020.

a) Interests of customer deposits

	December 31, 2021	December 31, 2020
Savings deposits	12,345	(23,360)
Term deposit certificate up to one year	19,572	(21,881)
Term deposit certificate more than one year to two	200,838	(200,094)
	232,755	(245,335)

b) Interests of money market operations

	December 31, 2021	December 31, 2020
Interbank funds	2,009	4,744
Simultaneous operations	(6,770)	(23,236)
Repo operations	(44,796)	(36,240)
Operations of temporary transfer of securities	(2)	(9)
	(49,559)	(54,741)

c) Interests of Outstanding Investment Securities

December 31, 2021	December 31, 2020
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Interests of outstanding investment securities	(37,852)	(31,834)
	(37,852)	(31,834)

(32) Commissions and Fees, net

The following is a breakdown of revenues and expenses for commissions and fees as of December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Revenues		
Private bank commissions	1,338	1,544
Investment bank fees	1,452	1,096
Investment bank commissions	5,051	955
Shared services from office network	2,731	1,292
Others	113	262
Total Revenues	10,685	5,149
Expenses		
Fees	16,758	11,315
Bank services	1,441	1,317
Fiduciary businesses	33	31
Commissions on sales and services	6,415	5,709
Others	-	3
Total Expenses	24,647	18,375
Total commissions and fees, net	(13,962)	(13,226)

(33) Other Income

Below is the detail of other income as of December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Reimbursements due to work-related illness	22	59
Fair value adjustment for investment properties	1,595	1,067
Fair value adjustment for stand-alone trust funds	469	211
Recoveries of previous years	1,724	1,784
Recovery actuarial calculation	154	-
Other Sundries	186	1,077
Total Other Income	4,150	4,198

(34) Other Expenses

The following is the detail of other expenses for the years ended on December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Legal expenses	6	50
Adaptations and installations	475	452
Penalties, fines and litigation (*)	30,200	27,782
Cleaning and surveillance services	1,013	1,164
Temporary services	1,185	2,201
Advertising and promotion	1,920	1,186
Public relations	79	68
Utilities	1,207	1,202
Travel expenses	156	213
Transport	541	659
Inputs and stationery	35	66
Advertising and subscriptions	272	156
Donations	-	2,000
Sponsorships	165	193

Cafeteria inputs	213	145
Management fee of buildings	1,531	885
Connection and outsourcing services	1,593	1,496
Eventual food to employees	90	103
BRP expenses	836	673
Specialized messenger services	2,438	2,243
Investment Properties appraisal	413	1,385
Sena Students support	152	
Operating risk	38	105
Others	831	756
Total Other Expenses	45,389	45,183

(1) See note (25) Other Provisions

(35) Analysis of Business Segments

The Corporation is divided into two businesses, the Financial business that brings together Treasury activities and the distribution network of products of the Commercial Management (marketing of the products of financial affiliates and products of Casa de Bolsa), and the Investment business related to the management of the portfolio of equity securities and Investment Banking (M&As, syndicates, capital markets, project finance and consultancy).

The allocation of assets, liabilities, equity, income and expenses to each business is carried out as follows: the investment business received the entire portfolio of investments in equity securities, accounts receivable and accounts payable related to dividends, and it is funded with all assets and the difference between the value of assets and equity is taken from the longer term CDT, all other balance sheet items are assumed by the financial business. The investment business accounts for 67.86% of total assets at the closing of 2021 and 71.50% at the closing of 2020.

In the case of the profit and loss statement, revenues from the investment business correspond to the profit sharing method, dividends from companies with an interest of less than 20%, investment valuation and Investment Banking commissions; expenses correspond to interest expenses for the CDTs used to fund the total assets allocated and administrative expenses directly attributable to the business. The financial business recognizes the net result of treasury (valuation of portfolio, derivatives, trading, purchase of foreign currency and exchange difference, net of interest expense), commercial banking commissions, income from asset recoveries and is attributed with all administrative expenses not recognized in the investment business (which must be fully covered by the financial business to ensure that the proceeds from investments are completely distributed to shareholders). In results, the investment business accounts for 99.63% of total net income of 2021

and 95.45% of total net income of 2020. On the other hand, the financial business represented 0.37% of total income of 2021 and 4.55% of total income of 2020.

Below is information on the net profits, assets and liabilities of reportable business segments:

	December 31, 2021			December 31, 2020		
	Investments	Financial	Total	Investments	Financial	Total
Assets						
Financial instruments at fair value	1,335,870	4,379,844	5,715,714	1,423,323	2,931,033	4,354,356
Financial instruments at amortized cost	-	75,228	75,228	-	72,629	72,629
Investments in associates and subsidiaries	12,833,542	-	12,833,542	11,137,543	-	11,137,543
Other assets	564,405	2,523,920	3,088,325	72,489	2,031,427	2,103,916
Total Assets	14,733,817	6,978,992	21,712,809	12,633,355	5,035,089	17,668,444
Liabilities						
Customer deposits	3,639,627	1,718,087	5,357,714	2,885,138	2,067,521	4,952,659
Other liabilities	1,034,018	5,023,007	6,057,025	504,449	2,803,318	3,307,767
Total Liabilities	4,673,645	6,741,094	11,414,739	3,389,587	4,870,839	8,260,426
Capital Expenses (equity)	10,060,172	237,898	10,298,070	9,243,768	164,250	9,408,018

	December 31, 2021			December 31, 2020		
	Investments	Financial	Total	Investments	Financial	Total
External Income						
Financial income	-	34,620	34,620	-	53,951	53,951
Fees and commissions	6,485	4,200	10,685	2,588	2,561	5,149
Other operating expenses	2,166,887	2,872,104	5,038,991	1,910,580	2,565,839	4,476,419
Total Income	2,173,372	2,910,924	5,084,296	1,913,168	2,622,351	4,535,519
Financial expenses	221,104	97,276	318,380	184,203	158,456	342,659
Impairment of financial assets	56,766	2,640	59,406	28,452	-	28,452
Depreciations and amortizations	-	4,084	4,084	-	4,617	4,617
Commissions and fees paid	1,514	23,133	24,647	865	17,510	18,375
Administrative expenses	64,544	53,664	118,208	85,316	24,084	109,400
Other operating expenses	120,034	2,723,829	2,843,863	34,677	2,340,421	2,375,098

Income tax	-	32	32	-	1,947	1,947
Total expenses	463,962	2,904,658	3,368,620	333,513	2,547,035	2,880,548
Net Profits	1,709,410	6,266	1,715,676	1,579,655	75,316	1,654,971

(36) Related Parties

The most representative balances as of December 31, 2021 and 2020 with related parties are as follows:

December 31, 2021	Shareholders	Board Members	Key Management Personnel	Associates and Subsidiaries	Other related companies of the Group	Total
ASSETS						
Cash and cash equivalents	737,539	-	-	1,076,986	-	1,814,525
Financial assets in investments	64,166	-	-	13,038,042	1,002,241	14,104,449
Accounts receivable	-	255	1,047	78,674	35,996	115,972
Other assets	-	-	-	34,144	817	34,961
Total assets	801,705	255	1,047	14,227,846	1,039,054	16,069,907
LIABILITIES						
Deposits	-	401	-	435,548	66,096	502,045
Accounts payable	356	92	-	1,612	9	2,069
Other liabilities	-	-	-	81,004	-	81,004
Total Liabilities	356	493	-	518,164	66,105	585,118
December 31, 2020	Shareholders	Board Members	Key Management Personnel	Associates and Subsidiaries	Other related companies of the Group	Total
ASSETS						
Cash and cash equivalents	962,302	-	-	967,739	-	1,930,041
Financial assets in investments	55,386	-	-	12,106,334	2,837,373	14,999,093
Accounts receivable	33	1,392	1,186	73,788	23,859	100,258
Other assets	-	-	-	-	1,585	1,585

Total assets	1,017,721	1,392	1,186	13,147,861	2,862,817	17,030,977
LIABILITIES						
Deposits	-	493	-	522,062	2,332	524,887
Accounts payable	505	40	1	1,051	140	1,737
Other liabilities	-	-	-	82,966	-	82,966
Total Liabilities	505	533	1	606,079	2,472	609,590

The most representative transactions as of December 31, 2021 and 2020 with related parties include the following:

December 31, 2021	Shareholders	Board Members	Key Management Personnel	Associates	Other related companies of the Group	Total
Interest income	13,079	20	81	24,700	-	37,880
Income from fees and commissions	120	-	-	74,887	60	75,067
Other income	2,356	1	1	99,991	137,679	240,028
Financial expenses	34	-	-	38	-	72
Expenses from fees and commissions						
Other Expenses	444	16	-	1,776	163	2,399
	33	5,405	10,393	20,783	11,774	48,388
December 31, 2020	Shareholders	Board Members	Key Management Personnel	Associates	Other related companies of the Group	Total
Interest income	31,767	67	47	38,810	-	70,691
Income from fees and commissions	-	-	-	3,813	255	4,068
Other income	1,946	113	-	35,391	82,326	119,776
Financial expenses	51	-	-	4,393	-	4,444
Expenses from fees and commissions	3,986	574	-	1,540	32	6,132
Leases	-	-	-	34	-	34
Other Expenses	356	4,165	6,332	15,845	1,839	28,537

The amounts outstanding are not guaranteed and will be paid in cash. No guarantees have been granted or received.

No expense has been recognized in the current period or in prior periods with respect to uncollectible or doubtful accounts related to amounts owed by related parties. Transactions with related parties are made at market rates, there are no preferential rates.

Remuneration of key management personnel:

Key management personnel includes the legal representatives, members of the Board of Directors, Audit Committee and the remuneration received by key management personnel consists of the following:

Items	December 31, 2021	December 31, 2020
Salaries	8,962	9,217
Short-term employee benefits	449	456
Other long-term benefits	536	934
Total	9,947	10,607

(37) Other matters – Estimate of impacts by measures taken due to Covid-19

The outbreak of Covid-19 and its rapid spread around the world since the beginning of 2020 has had adverse effects on the social and economic environment of the countries where the Corporation and its entities operate and do business. Governments have had to implement controls to try to mitigate the rapid spread of the virus, such as ordering preventive confinements, restricting mobility and transportation, suspending or regulating the provision of services considered nonessential, promoting and disseminating strict health measures, and promoting changes in the traditional way of working, all of which have implied major changes in the usual dynamics with which the Corporation has provided its services to the public. This translates into a need for ongoing assessment of the impact on the Corporation as the pandemic continues, as governments respond to the impact of the economic downturn that occurred in the beginning and that during 2021 has been reverted in most of the countries.

Likewise, as during 2020, for 2021, this situation continued to be monitored by the Corporation management, assessing any potential effect on both the Corporation results of operations and financial situation and liquidity, and taking timely actions that allow minimizing any unfavorable impacts that may arise during 2021.

(38) Events occurring after the reporting period

Between December 31, 2021 and February 23, 2022, the date of the Tax Auditor report, no subsequent events were known that have an impact on the individual financial statements.